

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RANKIN:

H. R. 9000. A bill to provide more adequate compensation for certain dependents of World War veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. MAHON:

H. R. 9001. A bill to provide for a study and analysis of the effects of the European war upon agriculture and to determine possible alternative methods of dealing with adverse influences upon agriculture arising out of the war, and for other purposes; to the Committee on Agriculture.

H. R. 9002. A bill making appropriations for additional research in respect to the effects of the present wars upon agriculture, for the Department of Agriculture, and for other purposes; to the Committee on Appropriations.

By Mr. VREELAND:

H. R. 9003. A bill to incorporate the National Youth Brigade; to the Committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 9004. A bill to amend the Flood Control Act of June 15, 1936, as amended, to provide for the protection of the Yazoo River backwater area; to the Committee on Flood Control.

By Mr. SWEENEY:

H. Res. 433. Resolution to investigate the public utterances of the Honorable James H. R. Cromwell, Minister from the United States to the Dominion of Canada; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. O'LEARY:

H. R. 9005. A bill to provide for the acquisition and preservation of the home of Edwin Markham, Westerleigh, Staten Island, N. Y.; to the Committee on the Public Lands.

By Mr. O'NEAL:

H. R. 9006. A bill authorizing the appointment of Robert B. Lorch as a major in the Regular Army; to the Committee on Military Affairs.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7065. By Mr. COFFEE of Washington: Resolution of the King County National Farm Loan Association, Lake Washington National Farm Loan Association, and Seattle National Farm Loan Association, pointing out that Farm Credit Administration was created to be farmer controlled and owned and nonpolitical in nature; therefore deploring the recent transfer to the Department of Agriculture from the Treasury Department of the Farm Credit Administration, and urging its return to its former status as an independent nonpolitical organization; and deploring the conditions which eventuated in the resignation of F. F. Hill as Governor of the Farm Credit Administration, A. S. Goss as Land Bank Commissioner, and other prominent officers and keymen of the organization; to the Committee on Agriculture.

7066. By Mr. FITZPATRICK: Petition of the Board of Supervisors of Westchester, N. Y., opposing any sugar legislation which is not fair and equitable to New York workers and consumers and which might bring about a reduction in the amount of sugar refining done in the State of New York, by permitting either expansion of sugar refining in the tropics or an expansion of the subsidized beet-sugar industry; to the Committee on Foreign Affairs.

7067. By Mr. HARTER of New York: Petition of sundry citizens of Buffalo, N. Y., requesting the enactment of House bill 5620, the so-called General Welfare Act; to the Committee on Ways and Means.

7068. By Mr. KEOGH: Petition of the American Society for the Prevention of Cruelty to Animals, New York City, protesting against the use of animals to test the explosive of Lester P. Barlow; to the Committee on Military Affairs.

7069. Also, petition of the trustees of the estate belonging to the diocese of Long Island, Brooklyn, N. Y., concerning amendment to the Social Security Act, with reference to coverage to church lay employees; to the Committee on Ways and Means.

7070. Also, petition of the Merchants Association of New York, concerning the Walter-Logan bill (H. R. 6324 and S. 915); to the Committee on the Judiciary.

7071. Also, petition of the Ladies Aid of George D. Russell Camp, No. 43, favoring sugar legislation that will protect the jobs of the Brooklyn sugar refinery workers; to the Committee on Foreign Affairs.

7072. By Mr. KRAMER: Resolution of the Highland Park Progressive Democratic Club, of Los Angeles, relative to Work Projects Administration appropriations, etc.; to the Committee on Appropriations.

7073. Also, resolution of the board of directors of the Automobile Club of Southern California, relative to Federal aid for highway projects, etc.; to the Committee on Appropriations.

7074. Also, resolution of the California State Board of Agriculture, relative to migratory labor in agriculture; to the Committee on Labor.

7075. By Mr. PFEIFER: Petition of the Ladies Aid of George D. Russell Camp, No. 43, United States War Veterans, Brooklyn, N. Y., concerning the 1940 sugar legislation that will prohibit further expansion and curtail importation of refined sugar from the Tropics; to the Committee on Agriculture.

7076. By Mr. SWEENEY: Petition of Winton Engine Local No. 207 of the International Union United Automobile Workers of America, urging defeat of Smith amendments to the National Labor Relations Act and support of amendments proposed by the Congress of Industrial Organizations; to the Committee on Labor.

7077. By the SPEAKER: Petition of the Fifteenth Annual Women's Patriotic Conference on National Defense, Washington, D. C., petitioning consideration of their resolution with reference to the American Youth Act; to the Committee on Ways and Means.

7078. Also, petition of the United Association of Journey-men Plumbers and Steamfitters of the United States and Canada, petitioning consideration of their resolution with reference to the United States Housing Authority; to the Committee on Banking and Currency.

7079. Also, petition of Local Union No. 230, United Association of Journeymen Plumbers and Steamfitters of the United States and Canada, petitioning consideration of their resolution with reference to United States Housing Authority; to the Committee on Banking and Currency.

7080. Also, petition of Edmond C. Fletcher, of Washington, D. C., petitioning consideration of resolution with reference to impeachment of the Honorable Bolitha J. Laws, associate justice of the District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

## SENATE

THURSDAY, MARCH 21, 1940

(Legislative day of Monday, March 4, 1940)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Zebarny T. Phillips, D. D., offered the following prayer:

Most loving Father, whose tender care reacheth to the uttermost part of the earth, who willest us to give thanks for all things, and to dread nothing but the loss of Thee: Preserve

us from all faithless fears and from whatever else may hinder our vision of the Son of God.

"Enable with perpetual light  
The dullness of our blinded sight."

O Saviour of the world, who on this day didst give us the divine example of Thy great humility, help us in this always to follow Thee. Thou also gavest us a new commandment, that we should love one another. Help us ever so to do; and as in this night, wherein Thou wast betrayed, Thou didst institute Thy sacrament of love, O may the perfect blending of the human and divine be revealed in us, Thou crucified and risen One, as we worship from the altar of our hearts.

We ask it in Thy name and under the shadow of Thy cross. Amen.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 20, 1940, was dispensed with, and the Journal was approved.

#### CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Calif.	Reynolds
Ashurst	Donahay	Johnson, Colo.	Russell
Austin	Downey	La Follette	Schwartz
Bailey	Ellender	Lee	Schwellenbach
Bankhead	Frazier	Lodge	Sheppard
Barbour	George	Lucas	Shipstead
Barkley	Gerry	Lundeen	Slatery
Bilbo	Gibson	McCarran	Smathers
Bone	Gillette	McKellar	Stewart
Bridges	Glass	McNary	Taft
Brown	Green	Maloney	Thomas, Idaho
Bulow	Guffey	Mead	Thomas, Okla.
Byrd	Gurney	Miller	Thomas, Utah
Byrnes	Hale	Minton	Tobey
Capper	Harrison	Murray	Townsend
Caraway	Hatch	Neely	Tydings
Chandler	Hayden	Norris	Vandenberg
Chavez	Herring	Nye	Van Nuys
Clark, Idaho	Hill	O'Mahoney	Wagner
Clark, Mo.	Holman	Pepper	Walsh
Connally	Holt	Pittman	White
Danaher	Hughes	Reed	Wiley

Mr. MINTON. I announce that the Senator from Utah [Mr. KING] and the Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Nebraska [Mr. BURKE], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Montana [Mr. WHEELER], and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

The Senator from South Carolina [Mr. SMITH] is unavoidably detained.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

SUPPLEMENTAL ESTIMATES, INTERIOR DEPARTMENT (S. DOC. NO. 169)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of the Interior, fiscal year 1941—for the reclamation fund, special fund—Klamath project, Oregon-California, \$200,000; restoration of lower Klamath migratory waterfowl refuge, \$70,000; in the total amount of \$270,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

#### MONTHLY REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation submitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of February 1940, together with statement of condition of the Corporation as of the close of business February 29, 1940, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

#### PETITION

The VICE PRESIDENT laid before the Senate the supplemental petition of the committee representing the original stock and guaranteed mortgage certificate holders in the Fidelity Union Title & Mortgage Guaranty Co., of Newark, N. J., signed by W. D. T. Libby, chairman, praying for a congressional investigation of the subject matter of the original petition filed on or about April 1, 1939, and the present supplemental petition relative to difficulties of the original stock and mortgage certificate holders in the matter of the Fidelity Union Title & Mortgage Guaranty Co., the Fidelity Union Trust Co., and other companies, which, with the accompanying paper, was referred to the Committee on Banking and Currency.

ADDRESS BY AMBASSADOR JAMES H. CROMWELL AT TORONTO, CANADA

Mr. WALSH. Mr. President, nearly all Senators have been receiving letters of protest against the speech delivered at Toronto, Canada, by the American Ambassador to Canada. One letter coming to me from a prominent professor at Phillips Academy at Andover, Mass.—one of the most outstanding preparatory schools in America—has so impressed me as expressing my own view and the views of all prudent and patriotic Americans, that I am going to ask to have it read at the desk, treated as a petition, and referred to the Committee on Foreign Relations. Let me add that it is gratifying to learn that the State Department is already investigating this most undiplomatic utterance.

The VICE PRESIDENT. Without objection, the letter will be read.

The legislative clerk read as follows:

PHILLIPS ACADEMY,  
Andover, Mass., March 20, 1940.

Hon. DAVID I. WALSH,  
Washington, D. C.

MY DEAR SENATOR WALSH: As one of your supporters and as one who has appreciated your many stands on national and international matters, I bear record that some pressure must be brought to bear to either recall the United States Minister to Canada, Mr. James H. Cromwell, or have the Washington authorities disavow his pronouncements that were made before the joint luncheon of the Canadian and Empire Clubs of Toronto.

I heard his remarks and if I have any judgment they sounded more like the pronouncements of one from Canada or from Great Britain. Certainly the spoken words were not those of an American diplomat. This business of lecturing other nations, of mentioning heads of other governments, and of citing what Germany is, etc.—well, it is time that our representative diplomats carry themselves properly. I need not go into detail as to what was said, I am very sure you have official records to support the reflections I am making.

I am a veteran of the last war, saw action, am married with two fine children, a boy and a girl. I bear record that I do not want my children to be led astray by such ignorant and unwise statements. I am strong for America to be strong and to attend to her own business. It is time Washington takes record of the wishes of the good people of this country. How about taking some responsibility and see to it that a sharp reprimand be given to this supposed American diplomat?

In full hopes that this criticism will not go amiss, I am

Very truly yours,

WINFIELD M. SIDES.

The VICE PRESIDENT. The letter, in the nature of a petition, will be referred to the Committee on Foreign Relations.

#### REPORT OF COMMITTEE ON MILITARY AFFAIRS

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (H. R. 3840) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes, reported it with an amendment and submitted a report (No. 1335) thereon.

#### ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 20, 1940, that committee presented to the President of the United States the enrolled bill (S. 2739) to amend section 45 of the United States Criminal Code to make it applicable to the outlying possessions of the United States.



## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCHWELLENBACH:

S. 3642. A bill granting the consent of Congress to the Secretary of the Interior and the State of Washington to construct, maintain, and operate a highway bridge across the Spokane River, Wash.;

S. 3643. A bill granting the consent of Congress to the Secretary of the Interior and Stevens County, State of Washington, to construct, maintain, and operate a highway bridge across the Kettle River, near Kettle Falls, Wash.; and

S. 3644. A bill granting the consent of Congress to the Secretary of the Interior and the Great Northern Railway Co. to construct, maintain, and operate two railroad bridges across the Kettle River, near Kettle Falls, Wash.; to the Committee on Commerce.

By Mr. WAGNER:

S. 3645. A bill to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931 (with accompanying papers); to the Committee on the Library.

By Mr. BRIDGES:

S. 3646. A bill for the relief of Angelina Chartier; to the Committee on Finance.

By Mr. BANKHEAD:

S. 3647. A bill for the relief of Paul Sanford, a minor; to the Committee on Claims.

By Mr. HATCH:

S. 3648. A bill for the relief of Lane P. Criswell; to the Committee on Naval Affairs.

## APPROPRIATIONS FOR CIVIL FUNCTIONS OF THE WAR DEPARTMENT—AMENDMENTS

Mr. MALONEY submitted an amendment intended to be proposed by him to the bill (H. R. 8668) making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 9, line 25, insert the following: "Provided further, That the flood-control project at East Hartford, Conn., authorized by the Flood Control Act approved June 28, 1938, shall be constructed in accordance with the revised plans and cost estimates described in House Document No. 653, Seventy-sixth Congress, third session."

Mr. MALONEY and Mr. HILL, jointly, submitted an amendment proposing to appropriate a sum not to exceed \$800,000 as an emergency fund for flood control on rivers or tributaries other than those of the Mississippi River, intended to be proposed by them to the bill (H. R. 8668) making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

## AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 8202, the Agricultural Department appropriation bill, 1941, which was ordered to lie on the table and to be printed, as follows:

On page 25, line 15, insert the following: "Provided further, That not to exceed \$5,000 of the amount herein made available may be used to purchase and supply beef to the Seminole Indians of the Big Cypress Swamp area, Hendry County, Fla., during the time that deer infested with cattle ticks are being removed from said area and until such area is restocked with deer."

## PRINTING OF MONOGRAPHS ON ADMINISTRATIVE PROCEDURE

Mr. HAYDEN submitted the following resolution (S. Res. 248), which was referred to the Committee on Printing:

Resolved, That the monographs published by the Attorney General's Committee on Administrative Procedure embodying the results of the investigations made by the staff of said committee relative to the practices and procedures of the Division of Public Contracts, Department of Labor; the Veterans' Administration; the Federal Communications Commission; the United States Maritime Commission; the Federal Alcohol Administration; the Federal Trade Commission; the Administration of the Grain Standards Act, Department of Agriculture; the Railroad Retirement Board; the Federal Reserve System; the Bureau of Marine Inspection and Naviga-

tion, Department of Commerce; the Administration of the Packers and Stockyards Act, Department of Agriculture; the Post Office Department; the Bureau of the Comptroller of the Currency, Treasury Department; and the Federal Deposit Insurance Corporation, be printed as a Senate Document; and that 1,300 additional copies be printed for the use of the Joint Committee on Printing.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 1361) for the relief of Henry Fischer, in which it requested the concurrence of the Senate.

## ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1398. An act to amend the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917, as amended, to increase the penalties for peacetime violations of such act; and

S. 1750. An act authorizing the Secretary of War to convey to the town of Marmet, W. Va., two tracts of land to be used for municipal purposes.

## HOUSE BILL REFERRED

The bill (H. R. 1361) for the relief of Henry Fischer, was read twice by its title and referred to the Committee on Finance.

## NATIONAL TRANSPORTATION—ADDRESS BY SENATOR SHEPPARD

[Mr. SHEPPARD asked and obtained leave to have printed in the RECORD an address delivered by him on Tuesday, March 19, 1940, over the Mutual Broadcasting System, on the subject National Transportation, which appears in the Appendix.]

## EFFECT OF BRITISH EMBARGO ON AMERICAN PRODUCTION OF TOBACCO

[Mr. BYRD asked and obtained leave to have printed in the Appendix of the RECORD a statement made by him before a joint committee of the civic clubs of Danville, Va., on March 13, relative to suggestions for the improvement of conditions confronting tobacco growers and tobacco manufacturers, which appears in the Appendix.]

## FOOD-STAMP PLAN—LETTER OF SENATOR PITTMAN TO THE SECRETARY OF AGRICULTURE

[Mr. PITTMAN asked and obtained leave to have inserted in the Appendix of the RECORD a letter written by him to the Secretary of Agriculture relative to the inauguration of the food-stamp plan, which appears in the Appendix.]

## THE NATIONAL FARM PROBLEM—ADDRESS BY SENATOR WHEELER

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an address by Senator WHEELER over the Mutual Broadcasting System on March 20, 1940, on the national farm problem, together with the introductory remarks by Chester H. Gray, which appear in the Appendix.]

## AGGRESSION ON POLAND

[Mr. SLATTERY asked and obtained leave to have published in the Appendix of the RECORD the speech of Capt. Francis X. Swietlik, dean of Marquette University and censor of the Polish National Alliance, at the relief mass meeting in Madison Square Garden, New York City, on March 12, 1940, which appears in the Appendix.]

## THE PLACE OF ADVERTISING IN THE AMERICAN SCHEME

[Mr. NYE asked and obtained leave to have printed in the RECORD an address delivered by Mr. Ralph Starr Butler, vice president of the General Foods Corporation, at the advertising awards dinner in New York on February 15, 1940, on the subject The Place of Advertising in the American Scheme, which appears in the Appendix.]

## PASSAGE OF THE HATCH BILL—NOW IT'S UP TO THE HOUSE

[Mr. CLARK of Missouri asked and obtained leave to have published in the Appendix of the RECORD an article entitled

"Now It's Up to the House," published in the Kansas City Star of March 19, 1940, which appears in the Appendix.]

PASS THE HATCH BILL—ARTICLE FROM THE ST. LOUIS STAR-TIMES

[Mr. CLARK of Missouri asked and obtained leave to have published in the RECORD an article entitled "Pass the Hatch Bill," published in the St. Louis Star-Times of March 19, 1940, which appears in the Appendix.]

THE POLITICAL PARADE—ARTICLE BY GEORGE ROTHWELL BROWN

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an article by George Rothwell Brown entitled "The Political Parade," published in the New York Journal-American of March 20, 1940, which appears in the Appendix.]

#### AGRICULTURAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes.

The VICE PRESIDENT. When the Senate took a recess yesterday there was pending an appeal by the Senator from Wisconsin [Mr. LA FOLLETTE] from the decision of the Chair. The question before the Senate at the moment is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. LA FOLLETTE. Mr. President, the records of the Senate are replete with instances of the Senate, after an appeal from the decision of the Chair, giving a liberal interpretation to the rules of the Senate. It is my fervent hope that a majority of the Senate will see its way clear to take that position upon this question. In order, however, that there may not be any misunderstanding so far as my own attitude is concerned, in order that the Senate may appreciate the serious situation which I think is involved in the amendment which I seek to tender to this bill, and in the hope that a majority of the Senate may be persuaded to see the situation as I do, I desire first of all to discuss the situation confronting the farmers of the country, and to discuss the amendment which will be in order if the Senate reverses the decision of the Chair.

Mr. President, I think every student of the economic history of our country since 1917 will be forced to the conclusion that one of the prime factors in producing the problem with which we have been wrestling since the onset of the economic crisis in 1929 was the effect of the war and post-war conditions upon the economy of this country. At a time in the 1920's when many Senators and a large number of others seemed to believe that we had entered a new economic era, I took occasion to point out in the Senate time and time again that the farmers of this country were already in a serious economic situation; that they were obtaining less and less of their proportionate and fair share of the national income; and that the continued disadvantage, from an economic standpoint, of this great basic industry and those dependent upon it directly and indirectly could only ultimately result in a serious economic collapse. Since that time efforts have been made by this administration to meet the problem of the American farmer; yet I think we will all have to agree that, despite these efforts, we have not solved the problem. Today, despite all of the efforts which have been put forth by the legislative and executive branches of government, while the farmers comprise 25 percent of the total population, they receive only 11 percent of the national income.

In my opinion, three major factors are responsible for this situation. One is the scientific agriculture which has been followed in ever-increasing measure and which has resulted in an increase both in the quality and quantity of agricultural production in the United States. I shall not pause long enough this morning to cite more than a couple of examples. The yields of corn in the 10 Corn Belt States were, in the years 1936 to 1939, 22.8 percent above the 1929-33 average. Yields of cotton lint are 35 percent greater per acre today than they were 10 years ago.

The marked advance in technological and scientific improvement of farm methods and practices in the United

States was graphically illustrated by the Secretary of Agriculture when he said:

One hundred and fifty years ago it required 19 people living on the land to support themselves and 1 person in town. Today 1 person on the land supports himself, 3 people in town, and 1 overseas.

There is a second factor which has resulted in depriving the farmer of his fair share of the national income. It is a factor of recent appearance, and I fear has only begun to manifest itself. I refer to the impact of the war in Europe on the farmer and the producer of nonmilitary manufactured goods.

Great Britain and France and some neutrals have, since September 3, 1939, gone totalitarian in their techniques of foreign trade and control of their domestic economy. The belligerents are using these weapons as a part of their economic warfare. Already serious results have flowed from this policy, and we do not yet see the end of it.

Our exports of tobacco, fruits, canned fruits, and vegetables have been seriously injured. Exchange provisions with regard to South American trade with Great Britain, in which they have announced that purchases of commodities in South America from the British Empire will be paid for in dollar exchange, will mean, of course, less dollar exchange remaining for the nationals of those countries to the south of us with which to purchase American-manufactured and other products.

There are two ways, in my opinion, of meeting this serious problem. One is the adoption of a vigorous policy to protect our normal export trade, a policy which will put an end to this procedure of "taking it on the chin." Farmers and producers of nonmilitary manufactured products in the United States should not be asked to bear the brunt of the war. When the reciprocal trade agreements measure is taken up for consideration by the Senate, I intend to offer an amendment which I believe would set up an instrumentality which would give the executive arm of our Government, if it chose to use it, an effective means of meeting the situation confronting our normal export trade. It is not my purpose to do more than to suggest this morning the imminence of this problem as it affects farmers and the producers of nonmilitary manufactured products in the United States.

The second way in which we can meet this problem is by providing for an increased consumption on the part of the American people, and thus to ease further the blow which farmers in this country are now suffering, and which I fear they will continue to suffer to an even greater degree as the war in Europe progresses.

Therefore, Mr. President, I have attempted to offer to the pending appropriation bill this amendment providing \$113,000,000 additional money for the purposes of section 32; in order that we may augment the funds necessary to cushion the shock of war upon the American farmer. As has been said again and again in this Chamber and elsewhere, we have a huge potential market here at home for farm products.

Some time ago the Bureau of Labor Statistics, the Bureau of Home Economics, and the National Resources Committee made a study of incomes during 1935-36 according to certain specified income groups. The figures were graphically presented to the Temporary National Economic Committee by the able Commissioner of Labor Statistics, Dr. Lubin. They show in general that in 1935-36 there were 29,400,000 families and 10,000,000 single people in the United States, representing 126,000,000 of our population. They show that 4,000,000 families, or 14 percent of the total number of families in the United States, had an average income of only \$312 in 1935-36. Eight million other families, or 25.5 percent of the total, had an average income of \$758 a year. About 7,000,000 families, or 23 percent of the total, had an average income of \$1,224. Nearly two-thirds of the families in this, the richest nation on earth, had an average income of \$1,500. The annual average was only \$826, or \$69 a month, for a whole family.

Mr. President, in my opinion, we should not be misled by average family income statements. In 1935, for example, the average for all families was \$1,622, but 65 percent of the



people were getting on an average only about one-half of that amount.

In 1935 over 29,400,000 families spent \$13,700,000,000 for food, but only \$848,000,000, or 6 percent, came from the 4,200,000 families of the lowest income group, who are 14 percent of all the families.

This group constitutes a great potential market for both farm and manufacturers' products in this country, and it can be utilized to cushion the shocks of European war-trade control, and embargoes, and licenses, upon the American farmer.

Only 20 percent of this sum came from another 8,000,000 families, who made up 27.5 percent of the total. In short, nearly 42 percent of our families provided only 26 percent of the farmer's food market. Studies show that 14 percent, with average incomes of \$312 a year, are spending only \$1 a week per person for food.

Mr. President, further studies have been made on the basis of the studies to which I have referred in an effort to ascertain what the effect is upon the food purchases of families in the lower income groups when their incomes are increased. With an increased income to \$758 a year the per capita expenditure for food rose to \$1.62 a person a week. With an increased income to an average of \$1,224, the per capita expenditure a week rose to \$2.18 for food. In other words, families with incomes under \$500 a year spent about 5 cents a person a meal for food. Families getting \$100 per month spent 10 cents a meal a person, or double the amount, and therefore the farmer's market doubled.

These studies show that if all families getting less than \$100 a month could be raised to that level—and I submit that \$100 a month for a family is not an overly ambitious goal—this would have meant an increase in food expenditures of around \$1,900,000,000, or 51 percent increase in food expenditures of these people. The farmers would have gotten about \$1,000,000,000 more directly. It would have lifted the demand and improved farm prices.

Mr. President, those millions of families with less than \$500 a year average income bought only 38 percent as much fruit as the group receiving about \$100 a month.

The meat purchases of the \$500 a year or under group were only 56 percent of the per capita expenditures of the group which receives around \$100 a month.

Those receiving \$500 a year or less purchased only about 43 percent as much dairy products as those who were receiving around \$1,200 a year.

Those with incomes of \$500 a year purchased only 57 percent as many eggs as the group receiving around \$1,200. They purchased only 58 percent of the vegetables that were purchased by the group receiving \$100 a month on the average.

Mr. President, I realize that these are cold statistics, but an examination of them will persuade any person who pauses long enough to study them that here is a great potential market, here is a great potential outlet for the producers of farm products. They will likewise, in my opinion, dislodge any feeling of complacency upon the part of those who assume that we have in this country a standard of living for a substantial portion of our population that we can point to with any pride. In fact, it is an indictment of our failure to solve the problem of distribution.

Mr. President, in my opinion, the stamp plan inaugurated under section 32 of the Agricultural Adjustment Act, as amended, is the most efficient and the most effective device which has yet been worked out, that seeks to deal with the problem of underconsumption of essential food products on the part of substantial percentages of the population of the richest Nation on earth.

Mr. O'MAHONEY. Mr. President—

The PRESIDING OFFICER (Mr. SHIPSTEAD in the chair). Does the Senator from Wisconsin yield to the Senator from Wyoming?

Mr. LA FOLLETTE. I yield.

Mr. O'MAHONEY. I wonder if the Senator from Wisconsin feels that the stamp plan represents a final adjustment, or

whether it is merely a stopgap in the handling of this very serious problem which he has so correctly described.

Mr. LA FOLLETTE. Mr. President, I was about to come to that, but I shall be glad to discuss it at this point, in view of the interruption of the Senator, which I welcome.

Of course, I do not regard the stamp plan as a permanent solution of this problem, but I do say that it is the only device at hand; that it has been tried out upon a sufficiently large scale to show that it is effective in helping to increase consumption of our surplus farm commodities; that it has had a very substantial influence in preventing the prices of these surplus commodities from falling even farther below their disastrously low level; and that it has increased the dietary standards of substantial numbers of people in this country. But, of course, it is not a final solution.

On the other hand, Mr. President, in view of the situation which confronts us so far as world trade is concerned, in view of the situation which confronts the farmers of this country, I say that the Senate should not be unwilling to reverse the decision of the Chair in this emergency situation and permit this amendment to be considered upon its merits.

Mr. O'MAHONEY. Mr. President, will the Senator yield further?

Mr. LA FOLLETTE. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I quite agree with what the Senator has said about the fairness of the plan as a method of removing surplus commodities and of tending to maintain prices for the agricultural producer, and because of that belief I was one of the Senators who in the committee voted to put in the amendment which appears as the committee amendment.

But I interrupt the Senator long enough to make this remark: It seems to me to be an appalling situation that according to the testimony of Mr. Perkins, the very able Administrator of the Surplus Commodities Corporation, there are approximately 14,000,000 persons in the United States who are now certified as eligible to take advantage of this stamp plan.

I think of it in this light. There are 14,000,000 persons who are authorized to take advantage of this plan and to buy two orange stamps for 25 cents apiece, and to receive at the same time as a gift a blue stamp which also has the face value of 25 cents. It means that between three and one-half and four million American families are, through no fault of their own, compelled to resort to this relief method to obtain food. This seems to me to be an appalling indictment of the conditions which exist in this country. When one considers what is happening on the farms and in the rural areas, where farm tenancy is increasing apace, and what is happening in the great urban centers where we have been obviously wholly unable by way of Government expenditures to take care of unemployment, we seem to be headed straight for the creation of a peasant class in America, something which should stir to the very heart every Member of the Congress. It is the overriding problem before us, and I am convinced, Mr. President, that it cannot be solved merely by increasing appropriations. We must go to the heart of this matter. We must find a way to provide real employment, both on the farms and in the cities, so that those who are out of work may find jobs at real wages, so that they may become a real market for the products of the farm, as well as of the factory.

Distribution is our task; distribution, not on a relief basis but upon a basis of full employment. Unless we are willing to face the very real possibility of making relief a permanent Government activity and of creating a permanent class of underprivileged, to use a much-used phrase, we must turn our attention to the problem of providing real employment in private industry for all who are willing and able to work.

Not by relief appropriations but by helping industry to create jobs shall we find the way out.

I am sorry to have interrupted the Senator.

Mr. LA FOLLETTE. No, Mr. President; I am pleased to have had the Senator's interruption, and I digress long enough to say that I think I have indicated by my record here and by the speeches which I have made ever since 1929 that I am

fully aware of the magnitude and the gravity of the problems with which this country is confronted. I believe that unless we find solutions for them the whole feature of the democratic process is in jeopardy.

But, Mr. President, because we have not been able to agree upon and to inaugurate fundamental policies and programs to meet these problems is no argument against utilizing those devices which purchase time in which we can work upon these fundamental solutions. The statement of the able Senator from Wyoming, who has shown his great interest in these problems through the splendid work of the Temporary National Economic Committee, is only a further argument in favor of taking action upon this amendment on its merits. I shall show before I conclude that the recommendation of the committee, while, of course, I approve it because it was an increase over the Budget estimates and because it was placed in this bill after it had passed the House without any provision for additional funds—I shall show, I believe, that in the light of the achievements which have already been won under the stamp plan, and in light of the demonstrated demand that it be extended, in the light of those facts, and in the light of the further facts which are staring us in the face, if we but have the wisdom to study them as to what the effect of the policy of the nations at war and neutral nations is having and will have upon our export trade, we are justified in not sustaining the decision of the Chair.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BONE. I recall a statement some time ago by Dr. Alexander, the head of the Farm Security Administration, to the effect that in a recent period more than 1,000,000 farmers had left American farms due to the mechanization of the farm. It has seemed to me that much of our problem is to make our political processes keep pace with technological and scientific changes which have been wrought in the lifetime of most of us. I recall reading a year or more ago a statement from one of the brilliant young chemical engineers of the country, in which he made an astounding assertion. Since it came from a most respectable source, I take it that he and his organization were quite prepared to sustain it in fact. He said that American chemists have now developed synthetic chemical fertilizers so potent that with their use one-fourth of the arable land in the United States could produce more than enough to feed and clothe America in abundance.

We have implicit faith in that sort of thing—a great tragedy unless the problem be correctly handled. It certainly bespeaks the necessity for making our political processes keep pace with technological change. Otherwise disaster will overwhelm us, and we shall find one disaster tumbling on the heels of another. We pass a law, and then we find that science, which we cannot repel—and would not if we could—is daily presenting new problems to us. What was once possible is now probable; and while we wrestle with the problem the young men in our universities and in the scientific divisions of our great institutions of learning are daily handing us new achievements and new *faites accomplis* of some sort, which further complicate the efforts of the Congress.

I do not know what the answer is, unless we set ourselves vigorously to the task of so arranging our political machinery as to keep pace with that sort of thing. Otherwise we shall be overwhelmed.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. MEAD. The distinguished Senator who has just spoken has brought out a point which I believe ought to be emphasized in the course of this debate. Before I make the observation I have in mind I wish to say that the distinguished Senator from Wisconsin [Mr. LA FOLLETTE], by reason of the soundness of the policies he is enunciating, has lifted the debates to the level where we are really making an attempt to get down to the fundamentally basic principles involved in the problem. The policies which he is enunciating are logical and rational, and in nowise savor of the political.

The Senator from Wisconsin has made the point that, because of the involved condition of affairs in the Old World,

with embargoes and licenses operating against the well-being of our farmer, we ought to retain all the gains we have accomplished and expand them in order to increase consumption at home. The Senator from Washington [Mr. BONE] has made a contribution by referring to the progress which has been made in soil productivity. Along that line I wish to add that, in addition to the increase in soil productivity, there has been an increase in the productivity of the labor on the soil from two to threefold in the last score of years. In the field of agrobiography there is a store of information and knowledge which can increase soil productivity threefold within a few years if it is allowed to proceed.

It is because of these overwhelming conditions, storing up devastating surplus upon devastating surplus, that we should follow the lead of the Senator from Wisconsin and not only retain this beneficial agency but expand it and increase it with all the power and resources at our command.

Mr. LA FOLLETTE. Mr. President, I very much appreciate what the Senator from New York has said. I also appreciate the interruption of the Senator from Washington [Mr. BONE]. I do not desire at this time to debate the broader questions raised by the statements of the Senators from New York and Washington. I hope at some time in the future, before this Congress adjourns, to be able to submit to the Senate some observations on the alarming situation which I think confronts agriculture in this country, and, as I believe I shall be able to demonstrate, the unmistakable signs that unless we adopt comprehensive measures to remedy the situation confronting the farmer, within the foreseeable future we shall be confronted with practically a complete disappearance from the American economic scene of the individually owned, home-operated farm as a way of life. When that time comes, Mr. President, if it does—and I hope to God it will not—the entire character of our economy will have been fundamentally altered.

In addition to the problems suggested by the two Senators who have interrupted me, we have the problem of farm debt, which is another factor grinding away upon the farmer today. To meet this phase of the problem, the Senator from Montana [Mr. WHEELER] and the Senator from Alabama [Mr. BANKHEAD] and I have introduced a bill now pending in the Senate Banking and Currency Committee.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. ASHURST. I wish to submit a suggestion for the consideration of the able Senator from Wisconsin. In the Senator's address on this subject he has demonstrated—as he always does—that he has given the matter very careful consideration. Some Senators—I am one of them—are in a dilemma. I am of the opinion that the ruling of the Chair is correct. Much as I desire to help accomplish what the able Senator from Wisconsin seeks, I could not vote to override the ruling of the Chair, because in my judgment the Chair followed the rule.

I submit for the consideration of the able Senator from Wisconsin the suggestion that he might move to suspend the rule. I should gladly follow his leadership in that direction and should vote to suspend the rule, whereas I doubt if I could vote to override the ruling of the Chair without violating my own feelings. In this posture of affairs, in view of the arguments of the Senator and the indisputable facts, I believe he could secure a two-thirds vote on the suspension of the rule, so that the main question would be properly before us. Not a few Senators agree in toto with the arguments of the able Senator from Wisconsin; but, as I say, they hesitate to override the ruling of the Chair when they feel that the Chair has made a ruling which is correct and in accordance with the precedents.

Mr. LA FOLLETTE. Mr. President, I should be the last to wish to cause the able Senator from Arizona any intellectual discomfort. However, if I desired to take the time of the Senate I believe it is no exaggeration to say that I could cite at least 100 instances in which the very thing I am appealing for has been done. We all know, Mr. President, that in many instances when the Senate is impressed with the urgency and the necessity of action the Senate, by a majority vote,



has placed a liberal interpretation upon the rules. I appreciate everything the Senator from Arizona has said about my ability to persuade the Senate; but I am convinced that there is no prospect of obtaining a two-thirds vote in favor of suspending the rule.

Mr. President, I was about to discuss the stamp plan. Studies show that persons receiving public assistance spend an average of a dollar a week a person for food. That amounts to 5 cents a meal. I wonder if Senators appreciate what that means. Under the stamp plan, on a voluntary basis, such persons as have been certified by the public authorities as being eligible in designated cities and areas may buy a minimum of one dollar's worth of orange stamps a week for each member of the family. The orange stamps are good at any and all grocery stores for any and all products which the purchaser of the book desires to buy.

Those who buy the orange stamps receive free half again as much in value of blue stamps. The blue stamps are in lieu of the surplus commodities previously distributed directly by the relief authorities through food depots in the designated cities where the plan is in operation, the relief authorities having received the surplus from the Surplus Commodities Corporation. The blue stamps are good in any grocery store in the community, but they may be utilized only to purchase the commodities which have been designated by the Secretary of Agriculture to be surplus commodities and placed upon the eligible list to be purchased with the blue stamps.

The grocers paste the stamps on cards which hold \$5 of the stamps after they have been utilized for purchases in their stores. The grocers redeem the stamps through the banks, through the wholesalers, or directly through the Surplus Commodities Corporation itself.

The blue stamps are paid for by the funds which we provide under section 32 of the Agricultural Adjustment Act and any money which may be appropriated to augment that fund.

The result is that such persons have  $7\frac{1}{2}$  cents a person a meal instead of 5 cents. The commodities which have been listed for purchase have been changed from time to time, as the surplus or the price of the commodity seemed in the eyes of the Secretary of Agriculture, after investigation, to justify placing the commodity upon the surplus list or removing it therefrom. I wish to emphasize, Mr. President, that while the program is of benefit to the recipients of the stamps in the designated cities, because it tends to lift their already meager budgetary allowance for family food, it has been operated from the beginning, primarily as a means of meeting the surplus problem of the American farmer; and I am confident it will be so operated so long as it remains in existence.

The first list made eligible for purchase of blue stamps contained butter, eggs, white and graham flour, cornmeal, dried prunes, oranges, grapefruit, and dried beans.

On July 16, oranges and grapefruit were dropped, and rice, fresh peaches, fresh pears, cabbages, peas, tomatoes, and onions were added.

On October 1, peaches, cabbages, pears, tomatoes, and rice were dropped, and raisins, apples, snap beans for the month of October and pork lard were added.

On December 15, pork meats, rice, hominy grits, oranges, and grapefruit were added.

Senators will notice that some of these commodities went on and off the list as time went on. I cite that fact simply to show that the Department has been conscientiously gearing this program, in the light of the amount of production and the price, to meet the most serious situations which confronted the producers of farm products, and that the list has not been made up from the standpoint of providing commodities which might be in demand by the users of the stamps.

Mr. President, by July 1 of this year the plan will be in operation in approximately 100 cities in the United States. I think all those who have made any study of the situation are impressed with the fact that Mr. Perkins and those associ-

ated with him in the administration of the plan have moved cautiously. At the outset they moved only into experimental cities, in order that they might have experience with the operation of the plan before it was further extended. In other words, the plan has received a very conservative, businesslike administration, and has not been permitted to have any mushroom growth which might have destroyed its effectiveness.

Furthermore, Mr. President, I think it should be emphasized that this plan is not put into operation until the communities desiring to have the plan designated have indicated by a widespread representation of the various aspects of the community life that they desire to see the plan inaugurated. Usually the plan is initiated by farmers desiring to have their primary or principal marketing area designated. Then the matter is later taken up by the city authorities or the governmental authorities in the area, because it is necessary for them to take action in order to provide an initial revolving fund to finance the plan. Then, usually, various other public-spirited organizations in the community come in and help to inaugurate the plan.

By July 1 between three and four million persons will be within the purview of this program in the approximately 100 designated cities.

I also wish to emphasize that in the operation of this plan all commodities are handled through regular commercial channels. There is no intervention of the Government as a purchaser at any point. Therefore all the machinery necessary for the distribution of food commodities already in existence as a result of the normal channels of wholesale and retail distribution is utilized for this purpose.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from North Carolina?

Mr. LA FOLLETTE. I do.

Mr. BAILEY. I am very much interested in the Senator's description of the plan, but I am still without adequate information as to how it operates. Last week some merchants from North Carolina came to see me about the plan. They are very much in earnest for the plan.

Let me ask the Senator a question. Assume that the authorities in the administration find that there is a surplus, say, of oranges. Then they authorize the merchants to deliver so many oranges to a person with a blue slip upon his purchase of a certain amount of goods. Is that correct? They do not give out the oranges independently of a purchase, as I understand. A person with a blue slip comes to buy something and he gets, extra, something else?

Mr. LA FOLLETTE. Mr. President, in the first place, the plan is entirely voluntary, insofar as any persons desiring to make use of it are concerned.

Mr. BAILEY. I understand that.

Mr. LA FOLLETTE. However, if I were on relief, or were designated as eligible for this plan in Madison, Wis., and if that city were designated, as it happens to be, it then would be possible for me to go to a designated place in the city, and I could buy a dollar's worth of orange stamps in cash.

Mr. BAILEY. Where does the Senator get the money with which to buy the dollar's worth of orange stamps?

Mr. LA FOLLETTE. I get that money either from the relief agency, or if I am on W. P. A., from it, or from any other source if I am certified. In some communities even persons who are receiving a small pension, insufficient to sustain the family, might be designated.

Mr. BAILEY. Suppose the Senator made a dollar.

Mr. LA FOLLETTE. That is all done by the local relief authorities. They are the ones who make up the eligible list.

Mr. BAILEY. The first point is, the purchaser must have something in order to get the blue slip. He has a dollar, say.

Mr. LA FOLLETTE. Then he may get a dollar's worth of orange stamps.

Mr. BAILEY. If he had a dollar that he made himself, or a dollar that the local charitable authorities gave him, he has a dollar, and he puts up a dollar, and then he gets a blue stamp?

Mr. LA FOLLETTE. He gets 50 cents' worth of blue stamps if he buys a dollar's worth of orange stamps; but the Surplus Commodities Corporation does not pay any attention to and does not have the responsibility of designating the persons who are eligible.

Mr. BAILEY. Who does designate them?

Mr. LA FOLLETTE. The local relief authorities, just as they would for the W. P. A., or just as they would make them eligible for direct relief.

Mr. BAILEY. Is that a matter of public record?

Mr. LA FOLLETTE. It is a matter of public record, I think. I know that in the stamp offices they have the cards of the persons who have been designated by the duly constituted relief authorities of the community, and who have declared that Jones, and Smith, and Brown, and the rest are eligible.

Mr. BAILEY. I get the idea now. I am designated by the local relief authority as a person who is entitled to some assistance.

Mr. LA FOLLETTE. That is correct.

Mr. BAILEY. I have a dollar of my own, or the local relief authorities give me a dollar, or the church, or my friends give me a dollar. I take that dollar to the merchant, and I may buy what I please with it; may I not?

Mr. LA FOLLETTE. The Senator takes the dollar first to the stamp office and buys a stamp book. The stamps are put up in books, and look a good deal like the books of postage stamps that we buy. They are put up in the same form. The first part of the book contains the dollar's worth of orange stamps, and the back of the book contains the 50 cents' worth of blue stamps.

Mr. BAILEY. That is the point. I get a dollar's worth of orange stamps, and I may buy any sort of food I please?

Mr. LA FOLLETTE. Anything the Senator wants to buy.

Mr. BAILEY. Exactly; but when I buy, I also get 50 cents' worth of blue stamps, and those blue stamps must be used for the purchase of some designated surplus. Is that correct?

Mr. LA FOLLETTE. That is correct—something on the list; but within the list, Mr. President, the recipient has free choice. That, in my opinion, is the thing which has made the stamp plan so much more acceptable and work so much better than previous plans.

Under the plan which has been used heretofore, and which is still used in communities where the stamp plan has not been put into operation, there may be a surplus of cabbages, and a carload of cabbages will be shipped into a city, and then the local relief authorities have to get that car unloaded; they have to take it over to the food depot; and whoever has been certified under the stamp plan as being eligible may go down there and get his share of cabbages. But under the stamp plan the eligible persons have a list of commodities which they can go into stores and buy in accordance with the desire of the family and the housewife.

Mr. BAILEY. I understand the Senator. I may take the blue slip, which is 50 percent in value of the orange or pink slip, whatever it is called, and I get free certain commodities which are designated as surplus commodities by the authorities here. That is the bonus I get. That is a free distribution of those articles upon the purchase of certain other articles. That is what that is.

Now, the Government pays for these surplus commodities.

Mr. LA FOLLETTE. Yes.

Mr. BAILEY. It redeems the blue slips at par?

Mr. LA FOLLETTE. That is correct. It redeems them out of the same fund with which it would purchase and does now purchase directly surplus commodities, and distribute them in carload or part-carload lots over the country.

Mr. BAILEY. That is intended, on the one hand, to help the farmer get rid of his surpluses, particularly the food-producing farmer. It is intended, on the other hand, to help the man in necessitous circumstances to get something extra. He really gets \$1.50 worth of commodities for \$1. Is that correct? That is what he gets. It is a gift from the Government.

Mr. LA FOLLETTE. That is correct; but I desire again to emphasize that the stamp plan, as I see it, is simply a workable device for the economical distribution of these commodities which the Government has been buying under section 32 of the act of 1935, when they have been designated as surpluses, ever since that section was put into the law.

Mr. BAILEY. That is my next point. Does a merchant get the commodities which are to be purchased with the blue slip from the Government or does he get them in the open market?

Mr. LA FOLLETTE. He gets them in the regular channels. In other words, we have eliminated for the cities that have been designated all this business of the Surplus Commodities Corporation going out and buying Florida oranges, or grapefruit, or whatever it is that has been declared surplus, and then putting them into cars and shipping them around the country, and then turning them over to the relief authorities and having them give them away to persons in the communities who have been designated as eligible for relief.

Mr. BAILEY. The Senator will agree with me that we cannot justly confine a plan of that sort to any 1 or any 100 or any 1,000 communities. We live under the doctrine of equal protection of the laws and equal rights to all. If we have that plan in one city in my State, we ought to have it in all cities and towns and in all country places where persons buy goods. Is not that true? It ought to be made available to everybody.

Mr. LA FOLLETTE. Mr. President, I think that in this situation, as in many others, we can only be governed by what is possible and what is reasonable. The Surplus Commodities Corporation has to be governed by the amount of funds available for this purpose. For example, if the committee amendment should be all that was provided, as I have figured it, the plan would have only about a 20-percent expansion, in comparison with what will have been done in the year ending July 1, 1940.

Mr. BAILEY. I agree with the Senator that the Surplus Commodities Corporation is limited by the funds it receives from Congress, but I will also assert that Congress is not limited as to funds, at least theoretically speaking. True, we do not know how much we may be able to borrow, or how far we may go. I was speaking from the standpoint of Congress. If we institute a plan of this sort, is it not predicated on the assumption that it must be universal in its application?

Mr. LA FOLLETTE. That is not the way government works. Perhaps that is the theoretical way it should work, but that is not the way it works. The executive branch of the Federal Government announced, at the time when assistance for direct relief from the Government was abandoned, that it was going to take care of all the employables who were unemployed. It has never come within shouting distance of doing that. There are thousands and thousands and thousands of people today who are certified by the local authorities as being eligible for W. P. A. employment who cannot obtain it because there is not enough W. P. A. employment provided to give them jobs. As I see it, we have to be governed by the exigencies of the situation, and I should not be deterred, so far as I am personally concerned, from supporting an appropriation to take care of persons who were employable and who were out of work merely because we could not take care of everyone.

Mr. BAILEY. I am not taking that view; I am not saying we should not do anything because we cannot do all things. I agree that it is the obligation of the Federal Government, having undertaken to obtain parity prices for cotton and tobacco, to apply that principle to the producers of all farm products. We cannot make distinctions. Having undertaken to provide for the old people who are in need, we must provide for all who are within the limits, every one in his class. Having undertaken to provide for the employment of the unemployed, we cannot stop short of providing for all. The Government cannot make distinctions. The administration can, because they are limited by the money, but Congress is not limited in the matter of money, and if it were the



obligation of the Congress, there should be an equal distribution. It would not be a matter of selection as to who should be aided and who should not. There should be so much aid to every man who has a clear need.

What I wanted to get at was how far this would go. I am satisfied that I have learned a great deal, but there is something more I wish to learn. The proposal is limited to food altogether, is it not?

Mr. LA FOLLETTE. It has been announced that an experimental plan will be inaugurated for the distribution of surplus cotton in the form of manufactured cotton commodities. I do not believe that plan has yet gone into operation, but it is now in the mill.

Mr. BAILEY. North Carolina—and I am thinking about my State—produces cotton to the extent of about 500,000 bales. The production has been very greatly reduced. We are producing tobacco at the rate of five or six hundred million pounds, and we are trying to reduce from 700,000,000. There is no provision made for tobacco, I take it. The Senator has agreed that there is none for the tobacco farmer.

Mr. LA FOLLETTE. I do not say that this program takes care of every commodity. I say—and I think, if I may be allowed to proceed, I shall be able to prove—that it is being very helpful in the case of many of the commodities.

The Senator need not argue with me about equality of opportunity or equality of the law. I am as firm an advocate of that as is the Senator from North Carolina or any other Senator, but I wish to say that the theoretical operation of Government activities is often, if not always, impinged upon by the practical and obtainable considerations. Again and again, as I have said with regard to W. P. A. employment, we have provided sums of money which at the time a majority of Congress knew were not sufficient to provide W. P. A. employment to all those who had been placed in the category of being eligible by their local relief authorities. Again and again we are confronted with a situation where we can go only so far as a majority of the Congress is willing to go. I do not think it is any argument that because we would extend this plan we are committed thereby to extend it to every area in the United States, much as I should like to see it so extended, any more than we are committed, having made W. P. A. appropriations to continue W. P. A. At any time when a majority of Congress wishes to abandon it they can do so, and they are under no legal or theoretical command to continue it. In the first place, one Congress, as the Senator well knows, cannot presume to bind another.

All I am saying is that here is a program which has worked well, which has received almost the unanimous endorsement of people in every walk of life in every community where it has been inaugurated. It is one of the New Deal programs which has unanimous support in the communities where it is going forward. I say that in view of the emergency character of the situation which confronts the farmers in this country it is no argument to say that because we have extended this plan to a hundred cities, if we extend it to 60 more of the same size, or to more cities of lesser size, in the coming year, we are thereby committing ourselves to extend it to every village and hamlet in the United States.

Mr. BAILEY. Mr. President, I wish to assure the distinguished Senator that I was not undertaking to make an argument. I was making an inquiry, with a view to ascertaining the fair implications of the program. I am satisfied with the answers, but I have one more question.

I understood the Senator from Wyoming to say, in his colloquy with the Senator from Wisconsin, that the number of people in need or likely to be certified as in need was about 14,000,000. Is that correct?

Mr. LA FOLLETTE. The Senator's figure may be correct. I think there are at least 14,000,000 people who have been certified by local relief authorities as being eligible for some kind of relief in their communities.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. O'MAHONEY. In order that I may make that matter clear, I will say that I stated to the Senator from Wisconsin when I interrupted him that Mr. Milo R. Perkins, who is the

head of the Federal Surplus Commodities Corporation, in testifying before the Senate Committee on Appropriations, in response to an inquiry which I directed to him, stated that approximately 14,000,000 persons in the United States have already been certified as eligible to take advantage of the stamp plan.

Mr. BAILEY. That takes in men, women, and children?

Mr. O'MAHONEY. It is the total number of persons who are eligible to receive the relief, I should think. That, of course, would mean that if the head of a family were certified as eligible, the members of the family would not be computed in this number, but 14,000,000 persons are authorized to go out and buy the stamps.

Mr. BAILEY. That would be 14,000,000 adults, or people somewhere in the neighborhood of adult age. Is that what the Senator understands?

Mr. O'MAHONEY. That is my understanding.

Mr. BAILEY. I wonder whether that includes the people who are already being provided for after our manner—I do not say satisfactorily, by any means—under what we call the W. P. A. Are they included? I wish to get the facts, to see how far the thing goes and how much it will cost. I am not arguing against it.

Mr. BONE. Mr. President—

Mr. LA FOLLETTE. Just a moment. Let us have an understanding of what the situation is.

The Surplus Commodities Corporation has been for several years buying farm commodities designated by the Secretary of Agriculture as being surplus commodities, and has been actually distributing those commodities to the localities where they are turned over to the local relief agencies, and they in turn distribute the actual commodities to those who are certified as being eligible to receive relief. The stamp plan is merely an efficient device for carrying out the same purpose; but later on I shall show that it accomplishes even more than that. I am going to show the effect of it in the communities where it is in operation over and above the actual increased buying provided under this method.

Mr. BAILEY. Before the Senator goes to that—

Mr. LA FOLLETTE. Just a moment. I should like to get along a little in my own time. There are not 14,000,000 persons in the United States who have been designated by the local relief authorities as being eligible for the stamp plan. There are 14,000,000 persons in the United States who have been designated as being eligible to receive relief. That is all the Surplus Commodities Corporation needs to know. If in Grand Rapids, Mich., a citizen has been designated as eligible to receive W. P. A., or to receive direct relief, or in some cases if he has a pension and it is inadequate to support him and his family, he may be added to the list. That is the responsibility of the local authority. Then when they put the stamp plan into Grand Rapids, as they are now doing, any person on the list certified by the local relief authorities can go to the stamp-plan window in Grand Rapids, spend a dollar of money out of his own pocket, and buy a dollar's worth of orange stamps. In the book he will find 50 cents' worth of blue stamps, for which he has not paid anything. Incidentally, he can buy a book for each member of his family. He then takes the book and goes to the grocery store. When he gets into the grocery store he uses the orange stamps just as he would money out of his pocket. He can buy anything the grocer has to sell, because he bought the book himself with his own money.

In order to provide a more efficient means of distributing these surplus commodities, which has been done for several years, he has in the back of the book of stamps a blue stamp, and in the same grocery store, or in some other, or at any place where he desires to go, he can buy any of the commodities designated by the Secretary of Agriculture as being, at the time he makes his purchases, on the surplus-commodities list. He can exercise his own judgment, or the housewife can exercise her own judgment, as to how many different surplus commodities he or she will buy, or whether to use up all the stamps in the purchase of one such commodity.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. How much of the increase from \$87,000,000 to \$212,000,000 would be used to finance the stamp plan?

Mr. LA FOLLETTE. I shall try to answer that question as best I can. I cannot give a definite answer to it, nor can Mr. Perkins give a definite answer; but we can arrive at an approximation of the amount.

Senators must understand that the Surplus Commodities Corporation is charged with carrying out a number of different programs. It is not charged merely with carrying out the surplus disposal program; it is charged, under section 32, with the responsibility of inaugurating, under the Secretary of Agriculture, export-bounty plans, if we may call them that. They had a plan as to cotton in 1939. They had one as to wheat. There are other things involved in this language. If the amendment becomes eligible to be considered by the Senate, of course, it must be by a reversal of the decision of the Chair, the \$113,000,000, which is the amount suggested in the amendment I offer, and which would be in lieu of the \$85,000,000 which the committee recommended, would be added to \$101,000,000 now available under section 32. There will be an extension of the plan during the next fiscal year. Mr. Perkins, who is a very able citizen and an efficient administrator, is convinced that if this amendment of mine is attached to the bill and remains in the bill through the conference it can be estimated that there will be about 60 percent extension of the plan from July 1, 1940, to July 1, 1941, as compared with what was done during this fiscal year, which will end next July 1.

In other words, by the 1st of next July about 100 cities will be on the list. Sixty more cities will be put on the list of approximately the same size as these 100 cities. But if there were smaller cities designated—and as the plan extends they will be smaller—there will be more than 60. So the best I can say to the Senator is that if this amendment should prevail we would have about a 60-percent extension of the plan next fiscal year as compared with last fiscal year.

Mr. TYDINGS. Mr. President, I think the Senator has answered the question, and I want to say that basically I am sympathetic about this plan, because I think it deals with relief and the agricultural problem at one and the same time and is one of the most intelligent approaches to the problem. Whether it stands unmodified by time or not, it is a step in the right direction to distribute the surplus, while helping the unemployed.

One reason I asked the Senator the question was that we will shortly be providing money for relief, and it seems to me that money spent this way would require less relief money than if we did not enlarge this plan. Is that assumption correct?

Mr. LA FOLLETTE. I am happy to make the best answer I can to the Senator's suggestion. Every effort has been made by the Surplus Commodities Corporation to assure that persons who come into this plan shall have additional purchasing power, not have it taken away from them, and every community where this plan has been established has agreed that it will not reduce its present relief budget or enable the families to make up their budget needs by what they get out of the blue stamps, because primarily this is a farm program, and primarily the desire is to increase the total purchasing power. It is made a relief program if we begin giving out blue stamps in lieu of wages or in lieu of direct relief.

Mr. TYDINGS. So my assumption that both problems are dealt with at the same time is an inaccurate one?

Mr. LA FOLLETTE. The Senator is usually accurate. It is not inaccurate in this sense, that with respect to the people who come under this plan the net effect is to increase their average expenditure a person a meal from 5 cents a meal to 7½ cents a meal. It improves their diet to that extent.

Mr. TYDINGS. And the more that is improved, of course, the less need there is for other relief?

Mr. LA FOLLETTE. We need not worry about that yet. Five cents a meal a person raised to 7½ cents a meal does not allow for any reduction of relief or W. P. A. I would not

be willing to increase the food budget to 7½ cents a meal and then reduce relief so people were put back to 5 cents again; that is what would happen if the stamp plan was made available in lieu of relief.

Mr. TYDINGS. The closer we raise them up to what might be called normal decent subsistence level by this plan, the less money we would have to contribute to any other plan to accomplish that end.

Mr. LA FOLLETTE. That is true, but I think we are a long way away from it if in these 100 cities we raise the family food budget by the stamp plan to 7½ cents a person a meal. I personally would hate to think what would happen to my wife and to myself and to my two little children if all that I could afford to spend on each one of us a day for a meal was 7½ cents for those sitting around our table.

Mr. TYDINGS. Mr. President, will the Senator again yield?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. The Senator likewise knows, of course, that the benefit payments to farmers in the general bill apply only to five products.

Mr. LA FOLLETTE. That is correct.

Mr. TYDINGS. Take my own State, for example, where there are many poultry raisers and truck farmers and orchardists, and so forth; the only hope that they would have their problem met at all—which is left out of the main bill—would be through an effort of the kind proposed by the Senator from Wisconsin.

Mr. LA FOLLETTE. The Senator has anticipated one of my appeals, which I hope to make to every Senator who is aware of the problem confronting the States in which farmers produce commodities that are not the five designated basic commodities.

Mr. BONE. How far does this problem apply to W. P. A. work?

Mr. LA FOLLETTE. It applies to anyone who is eligible for relief. If anyone is certified in the Senator's community for W. P. A. or for direct relief, he can buy one dollar's worth of orange stamps, and can get one-half as much in blue stamps. That is a relief program. It is not regular employment.

Mr. President, I wish to call attention of the Senate to some very interesting facts, and at this time I wish to say that I have drawn very heavily upon facts furnished by Mr. Perkins, both in his speech delivered to the Fourth Annual National Farm Institute at Des Moines, Iowa, on Saturday morning, February 24, 1940, entitled "The Challenge of Underconsumption," and his testimony before both the House and Senate Committees on Appropriations. Mr. President, I quote:

Although the stamp plan has not been in operation long enough to measure the ultimate economic effects accurately or to come to final conclusions, we have been maintaining current information to guide us in our operations. This has been made possible through the cooperation of wholesale and retail merchants in a number of cities, including Des Moines. These businessmen have devoted considerable time to giving us accurate reports. The stores have been selected on a basis which would assure a representative sample of low-, upper-, and intermediate-income areas in each city. The cooperation that these merchants have shown is extremely helpful. I should like to take this occasion to thank them. It is very important to all of us that they continue to give us the basic information that we need. They are making a real contribution to the general welfare which is deeply appreciated.

What are our low-income consumers buying with their surplus stamps? Preliminary figures now available are of great interest to every farmer in America. First of all, we can see how persons getting public aid are using their blue stamps on a wholly voluntary basis. We can tell which agricultural products are most popular and what percentage of the blue surplus stamps is going for each one on the list. The next table brings this out in great detail for three periods when different surplus commodities were available. Many of you who live in Des Moines will be particularly interested in the way in which surplus commodities have been selected here in one of the early test cities. You may want to compare those selections with the ones made in the other experimental areas. I am sure that the farmers of Iowa will be glad to learn that 31 percent of the blue stamps were used for pork meats and lard during the last month for which our records are available. Heavy blue-stamp purchases of butter and eggs have been made throughout the program. The table which follows gives the latest current information on how the blue-stamp expenditures have been divided as between the various surplus commodities which were available.



Mr. President, I ask unanimous consent that this table may be inserted at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. LA FOLLETTE. I continue to quote from Mr. Perkins:

With changes in the list on December 16, there were indications of some marked changes in blue-stamp purchases. The period is too short, however, for any final conclusion and should be interpreted in terms of possible tendencies rather than of stable averages. Pork meats were placed on the list for the first time. They were very popular. From 20 to 25 percent of the increased purchasing power was used to buy these products.

Mr. President, with hogs in Chicago around \$5 and a little more I think this situation should be of interest to every Senator who has a hog producer within his State.

From 20 to 25 percent of the increased purchasing power was used to buy these products.

That is, pork meats.

Another 6 percent was used for pork lard. The demand for butter and eggs decreased somewhat, though each accounted for 17 percent of the surplus buying.

Were the stamp plan operating nationally, this would be a very healthy situation from an agricultural viewpoint. Prior to the addition of pork meats to the surplus list on December 15, butter and eggs were taking about 25 percent each of the blue-stamp purchasing power. This meant that there was a potential new market each year under a national food stamp plan for over 300,000,000 pounds of butter and over 300,000,000 dozen eggs. That was about 12 percent to 13 percent more of each of these products than the country consumed annually during the previous 10-year period. Had it been possible to establish the stamp plan throughout the country overnight, prices of butter and eggs would have shot through the ceiling under such an increased demand. A more healthy price situation would obtain, of course, if the new demand for butter and eggs represented only 4 percent or 5 percent of former domestic consumption. The balance of the blue-stamp purchasing power would then be available to help lift other farm prices. We are very glad, therefore, to see this shift to the purchase of surplus pork products. If the stamp program were operating on a national basis today, farmers in the Corn Belt would be getting a much better price for their hogs than they are today.

This was February 24, and hogs have gone down since then.

Fortunately, we'll have a chance to learn a lot more about supply and demand conditions for these surplus products before it will be possible to expand this program to cover the country.

We are vitally interested in the net increases in sales of agricultural commodities that result from our food stamp program, and are conducting studies in several cities. Here the analysis is much more difficult. It involves consideration of seasonal and other trend factors. Studies of this subject are under way, but only preliminary data are available. We have some information as a result of the figures supplied by Des Moines stores, however, in which you may be particularly interested.

#### FOOD PURCHASES IN DES MOINES

The stamp plan began in Des Moines on August 23. In the 12 weeks which followed there was a business pick-up in the food trades amounting to 5 percent, as compared with sales in the 6-week period before the program started. Sales in stores in low-income areas of the city, however, where most of the surplus blue stamps are used, increased by 16 percent the first 12 weeks of the program. Even after allowance is made for general business improvement in the food industry of 5 percent, such stores had a net increase in business of 11 percent. One of the very striking facts is that about one-half of this net increase apparently was due to the amount of stamps received, and another half was due to other factors. We hope that this means that many low-income families, other than the ones receiving direct assistance through the stamp plan, were spending more for agricultural products. Our preliminary information indicates that this was true for some commodities. The aggressive merchandising methods of the food trades are certainly responsible for part of this very favorable showing.

Mr. President, I digress at this point long enough to say that in the cities where the stamp plan is designated, when the surplus commodities are listed, all the grocery stores in the city begin advertising the fact that surplus commodities are for sale. The data indicate—and I think it is reasonable to assume that the stamp plan is the cause of it—that persons other than those possessing blue stamps buy farm surplus commodities through the regular channels of trade, thus

helping to remove the surplus, to the advantage of the farmer so far as his price is concerned.

In terms of individual commodities, the preliminary information is very impressive. The most substantial increases in sales are for butter, eggs, and most of the fruits and vegetables. Butter sales in terms of pounds of butter in low-income area stores increased about 41 percent above the preprogram level. In upper- and intermediate-income area stores, they increased 8 percent. Allowing for seasonal and trend factors, our preliminary information indicates that total butter sales in low-income area stores increased not only by the full amount of the blue-stamp expenditure, but by 28 percent more.

Mr. President, this program benefits the farmer. It benefits the person who receives the commodities, and in addition it results in increased purchases of the price-depressing surplus of farm commodities by persons who are not participating in the plan.

In other words, for every Government dollar spent to move butter under the stamp plan through such stores, \$1.28 worth of butter was actually sold.

In other words, as a result of the program, taking butter as one example, for every dollar of blue stamps spent for butter, 28 cents was spent by someone else in cash for butter; and the data indicate that such is the tendency and the trend in other communities. In other words, from the standpoint of the farmer, we are obtaining more in this program than the actual dollars being put into it.

Because the prices of so many dairy products are geared to the price of butter, this means a lot to dairy farmers in this section of the country.

Egg sales increased 52 percent in low-income area stores, while in upper- and intermediate-income area stores there was a slight decrease. Here, too, and to even a higher degree, even after the blue stamps are excluded, low-income area stores sales increased very substantially above the preprogram level, and above the relatively stable level for upper- and intermediate-income areas. For every Government dollar spent to move eggs under the stamp plan through low-income area stores, \$1.40 worth of eggs was actually sold. Were the stamp plan going nationally we feel sure we could maintain a much better price level for eggs.

Mr. President, one of the well-known poultry journals in this country, the Poultry Tribune, in its issue of March 1940, made a study in Springfield, Ill., where the stamp plan was put into use on October 19, 1939. This is not Mr. Perkins talking. This is not the Senator from Wisconsin offering information. These facts were obtained by personal interviews by representatives of the poultry journal with the persons receiving the stamps to ascertain what was happening.

The question which interested the magazine was:

Would low-income families use more eggs if, in a changing economic world, they suddenly should be placed in a higher-income level?

This is the result, as stated by the Poultry Tribune:

The answer of the 50 families interviewed was an overwhelming "Yes." They said they used an average of 1.1 eggs per person each week, or 57 eggs per year, before stamps were made available, but now use an average of 6.2 eggs per person, or approximately 323 per person annually. This is an increase of 560 percent.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. DOWNEY. I am tremendously impressed by the argument of the Senator, and I am very much in favor of what he is advocating; but I must admit that my mental processes do not follow the reasoning of the article which he has read. Where does all the extra purchasing power come from to permit the purchase of additional eggs? I am unable to follow the Senator.

Mr. LA FOLLETTE. When families on the bottom rung of the ladder are receiving only 5 cents a meal a person, if the amount is stepped up to seven and a half cents by giving them blue stamps free, they will step up from a bare-necessity diet, which may produce malnutrition in the family, and begin to buy commodities which are designated as surplus and which increase the health-building elements

which they and their children need in their diets. The examples I have cited show the effectiveness of the program, if only we have the courage to enlarge it.

Mr. DOWNEY. Mr. President, will the Senator yield further?

Mr. LA FOLLETTE. I yield.

Mr. DOWNEY. I again comment that I am absolutely with the Senator in his conclusion. He has made an eloquent argument. However, if I correctly understand the figures, they indicate that the diet allowance was raised 50 percent, or from 5 cents a person a meal to seven and a half cents a person a meal, while the egg purchase was increased from one egg a week to about seven a week. I cannot follow those figures. Where did the money to purchase the additional eggs come from?

Mr. LA FOLLETTE. It came in the form of blue stamps.

Mr. DOWNEY. The blue stamps increased the purchasing power from 5 cents to 7½ cents.

Mr. LA FOLLETTE. That is correct.

Mr. DOWNEY. That is 50 percent.

Mr. LA FOLLETTE. But they may use the blue stamps only for the purchase of the surplus commodities designated. Eggs are one of the surplus commodities designated. Therefore the housewife seeking to obtain a better and more nearly balanced diet, with even this pittance of increase in purchasing power, bought more eggs for the family, just as she bought more butter, and just as she bought more pork products when they were put on the list of surplus commodities.

In other words, when the additional purchasing power made available raised the family above a very low standard diet and gave the family the opportunity to purchase eggs as one of the surplus commodities, eggs were purchased in increasing amounts with the increased purchasing power.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Pennsylvania.

Mr. DAVIS. As I understand, when a person purchases a dollar's worth of orange-colored stamps he receives 50 cents' worth of blue stamps free.

Mr. LA FOLLETTE. That is correct.

Mr. DAVIS. That is, he pays a dollar for the orange stamps and receives 50 cents' worth of blue stamps free.

Mr. LA FOLLETTE. Yes.

Mr. DAVIS. The blue stamps increased the purchasing power from 5 cents to 7½ cents a person a meal.

Mr. LA FOLLETTE. That is correct, and because the Surplus Commodities Corporation wanted to make certain that this would be a farm program, and that the additional purchasing power would be used to help the farmer to move his surplus and obtain a better price, it entered into an iron-clad agreement with the communities which entered into the plan, that they must not lower their then existing standards of relief. That is why the 50 cents' worth of blue stamps for every dollar's worth of orange stamps had such a surprising and very important effect upon the surplus commodities.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. Is there any problem of retail profiteering involved at any point?

Mr. LA FOLLETTE. So far as I can ascertain, there is not. I think Mr. Perkins, after a careful check and investigation, is certain that there is not, for the simple reason that the authorities do not designate certain grocery stores. They designate them all. The old principle of competition prevents any pyramiding of prices. I think in only three instances in all the cities in which the plan has been in operation has it been necessary for the Surplus Commodities Corporation to bring an action against grocers who have "chiseled" or violated the rules and regulations. The thing about which some persons were apprehensive did happen, but only in a very few instances. When the commodities themselves were being distributed a few persons took the commodities and traded them for something else. That happened in two or three instances. Some grocers began to trade the blue stamps for something that was not

on the list. But this is a self-policing mechanism because all the other grocers in town soon became aware of the fact that the one who was "chiseling" was getting all the business, and turned the information over to the Government. The practice has been stopped.

Mr. VANDENBERG. Does the grocer receive the same sales profit from a stamp sale as he would receive from a cash sale?

Mr. LA FOLLETTE. Exactly; not only does he receive the same profit but he also gets the advantage of the increased volume of business which inevitably results, and which I have just been trying to point out. I think that is a perfectly legitimate advantage for the wholesaler and the grocer to receive because they are performing the service of distribution. They are not charging the Government any more than they would charge anyone else, and they are not asking any more for that service than they would otherwise make. The plan eliminates all the complications incident to the Government buying the commodities in carload lots and, for example, shipping a carload of cabbages to some community and having the relief authorities distribute it from a food depot to people who come to take it away in baskets, which is a very inefficient and costly plan.

Mr. VANDENBERG. Are there any figures as to the percentage of the average retail price which goes into retail profit in return for this service of distribution?

Mr. LA FOLLETTE. I shall have to confess to the Senator that that is one figure that I have not here. I do know, however, that as compared with the other program which the Government is operating directly, the stamp plan is infinitely less expensive. The Government spent about \$19,000,000 in distributing these products in wholesale lots to relief authorities.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. DANAHER. Before I take up the matter about which I wish to ask the Senator, I might add that there is one thing the Senator could have answered to the Senator from Michigan, and that is that Mr. Perkins can always refuse to support the market once he has brought prices back, so that the price of butter, for instance, may be low, and yet there may be no particular surplus of it. In other words, he may then go in and build the price up to some reasonable percentage of parity, and then step out of the market; so it would seem to me that that is the best check.

Mr. LA FOLLETTE. That is the basic and fundamental check, of course, because there are two objectives in the surplus commodity removal program: First, that there is an actual surplus; second, that the price has been so depressed as to become alarming for the farmer. Once that has been taken care of, of course, the commodity goes off the list, as I have shown earlier in my remarks. The authorities are continually putting them on and taking them off as the situation changes itself.

Mr. DANAHER. Mr. President, will the Senator further yield?

Mr. LA FOLLETTE. I yield.

Mr. DANAHER. What I am concerned about, if the Senator will bear with me, is this: We are now considering, in the Senator's argument, the matter of an appeal from the ruling of the Chair which had to do with an amendment which would increase the allotment from \$85,000,000 to \$113,000,000. Mr. Perkins testified before the Senate committee that he must achieve domestic distribution through the stamp plan, or through direct purchases, or through a school-lunch program; and the amount for each lies within his discretion. Those of us who are very much interested in the stamp plan—and I am one who is very sympathetic with it; I think it is an admirable thing—want to know what limitation there is in the amendment pending on page 83 to demand and require that if we should vote for the \$113,000,000 it will be devoted to the stamp plan.

Mr. LA FOLLETTE. Mr. President, there is nothing in the amendment and there is nothing in the law which limits the activity of the Surplus Commodities Corporation under



section 32. As I stated awhile ago, there are a number of different programs that Congress authorized the Secretary of Agriculture, in his discretion, to inaugurate. There are export programs; there are surplus-removal and distribution programs; there are the other programs the Senator has mentioned. I will say, however, that insofar as anybody can give information under a situation of that kind, at my request Mr. Perkins has furnished me with the information that it is his best judgment, taking into consideration all the factors he now knows, that if this amendment should prevail and become law there could be a 60-percent expansion of last year's stamp-plan program for the year July 1, 1940, to July 1, 1941. I can give the Senator no further assurance than that; and I personally, knowing Mr. Perkins, do not require any further assurance; and, in view of the different programs which are set up under section 32, I do not see how the Congress could intelligently say that X amount of money shall be used for this part of the program and Y amount of money shall be used for that part of it, because we must remember that this situation constantly changes. As I pointed out earlier, they had a cotton-export subsidy program. It has moved a large number of bales of cotton. It has now been discontinued; but neither Mr. Perkins nor the Secretary of Agriculture nor anyone else could say now whether a program for the export of cotton or of wheat should be continued in the fiscal year 1940-41 or whether it should be abandoned. It all depends on the situation; and there will not be any more discretion with regard to the additional \$28,000,000 I am pleading for than there is in regard to the \$85,000,000 the committee is recommending.

I want to say to the Senator from Connecticut—although I know it does not satisfy his point, which I have discussed with him before—that I am so impressed with Mr. Perkins' integrity and his efficiency and his ability that, so far as I am concerned, I am satisfied that he has given us the most straightforward and the most explicit answer in response to my request for information that he could possibly give; and I should not want to undertake the responsibility of saying that X amount of money shall be used for this, that, or the other of these commodity programs.

Mr. DANAHER. Mr. President, will the Senator yield for one further question?

Mr. LA FOLLETTE. I will.

Mr. DANAHER. Mr. Perkins testified in the committee that he expects that the situation with reference to farm surplus exports this year will be worse instead of better. It is reasonable to think so. If we want to support a stamp plan and find that we are going to vote for export subsidies, we certainly are in a curious predicament in view of the way this language is written. Can we not therefore properly say that not less than 90 percent or not less than 85 percent of the total so voted shall be used in furtherance of the stamp plan?

Mr. LA FOLLETTE. Of course, if the Senate should decide that the decision of the Chair should not stand, such a limitation would be in order when the amendment is under consideration; or, in my view, the Senator could offer such a limitation, if he desired, with regard to the \$85,000,000 in case the majority of the Senate should be against me on this proposition. That is a proposition which would come up in any event simply on an amendment to limit the use for which the expenditure could be made; and that would be in order even on the \$85,000,000, in my opinion, for whatever it is worth, or upon the \$113,000,000.

Mr. DANAHER. But the Senator does not think it should be done?

Mr. LA FOLLETTE. Mr. President, I should not want to take the responsibility. I know that, for example, the wheat farmers have been very well satisfied with the export program on wheat. They think it has helped them a great deal, at least so far as I have been able to ascertain their attitude; and I should not want to say that they should not have a dime of this money if they wanted to continue that program or even thought it was necessary to augment it. I

feel convinced, however, that, insofar as it is humanly possible, if this sum of money is added we shall get a 60-percent increase in the program for the stamp plan. I personally would like to provide a greater sum, but I tried to be reasonable about this matter, though some Senators may think I have not been. But this program is working; it has the unanimous support of every community in which it is operating; and it is doing such a tremendous amount of good that I feel very strongly that it ought to be extended.

Mr. DANAHER. Let me thank the Senator very much.

Mr. LA FOLLETTE. I always appreciate the very cogent observations and remarks of the Senator from Connecticut.

Now, just a bit more from this article, and then I shall conclude.

Even though these families presumably were receiving relief in the form of W. P. A. work or in other forms before the stamp plan was inaugurated, 25 of the families said they were not using any eggs before the blue stamps were made available.

Returning to Mr. Perkins' address:

For some products, of course, all of the sales increase was not a net increase in demand associated with the stamp plan. For instance, a very substantial part of the increase in demand for prunes, white flour, cornmeal, rice, and peaches, was seasonal. In the case of some of these commodities, our information indicates that part of the blue stamps was being used in the place of cash which would have been used in the absence of a stamp program. This was true in the case of prunes, cornmeal, and rice, and to a lesser extent in the case of white flour. Very substantial net increases in sales, over and above the volume of blue stamps, and after considering seasonal factors, were noted for peaches, cabbages, peas, onions, tomatoes, and pears. For other commodities, it is still too early to come to even preliminary conclusions. The material is being studied carefully and we hope to present the information from time to time as it becomes available. So far as Des Moines is concerned, however, we feel certain that more than a dollar's worth of food was moved for every Government dollar spent to redeem blue stamps. That's one great advantage of utilizing normal trade channels.

Mr. President, in conclusion I wish to say that I believe that Congress must take effective action in view of the alarming situation that is developing so far as the control of export trade by the belligerent and neutral nations abroad is concerned, and its adverse effect upon the normal peacetime exportations of both farm products and nonmilitary manufactured products. I suggested that I shall debate this question at more length and in greater detail when the bill for the extension of the reciprocal-trade agreements is under consideration; but there is a second device which we can employ to cushion this shock upon the American farmer and to help him retain his meager share of the national income, and that is by augmenting the stamp plan.

I realize that some Senators are disturbed by the fact that to make this amendment eligible for consideration requires a reversal of a decision made by the able junior Senator from Alabama [Mr. HILL] when he was in the chair. I have not taken occasion to do so, but I know that I could furnish to the Senate instance after instance, if it would make any difference to it, showing that again and again the Senate has reversed the decision of the Chair in order to permit amendments to be considered.

So far as I am concerned, I do not think this is a dangerous precedent. The Committee on Appropriations has seen fit to initiate this appropriation of \$85,000,000 for this purpose. All that the Senate will be doing, if it reverses the ruling of the Chair will be to establish a precedent—which may or may not be followed in the future, as the Senate pleases—which will permit the Senate to exercise its own good judgment, once the Appropriations Committee has decided that it is going to initiate an appropriation. In other words, a strict interpretation of this rule places us in the ridiculous position that an amendment could be offered to reduce this appropriation, the Senate committee having inaugurated it, but the Senate is powerless to increase it, no matter how strongly it may believe that more money is needed than the Senate committee has seen fit to provide.

Mr. President, I hope the decision of the Chair will not stand as the decision of the Senate; and upon this question I hope to have the yeas and nays.

## EXHIBIT A

Percentage distribution of commodities secured with blue stamps in 6 areas, July 16, 1939, to Jan. 13, 1940<sup>1</sup>

Commodity	July 16 to Sept. 30 average	Oct. 1 to Dec. 15							Dec. 16 to Jan. 13					
		Roch-ester	Dayton	Des Moines	Birming-ham	Potta-watomie County	Seattle	Average	Roch-ester	Dayton	Des Moines	Birming-ham	Potta-watomie County	Average
		1	2	3	4	5	6	7	8	9	10	11	12	13
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Butter.....	24	32.0	22	27.0	13	10.0	36.0	25.0	22.0	16.0	17.0	9	8.0	17.0
Eggs.....	24	29.0	28	25.0	20	12.0	26.0	26.0	21.0	16.0	15.0	13	10.0	17.0
Flour.....	13	17.0	10	13.0	24	26.0	13.0	16.0	10.0	9.0	13.0	19	22.0	12.0
Rice.....	2								1.0	2.0	1.0	2	2.0	1.0
Cornmeal.....	2	1.0	2	1.0	7	4.0	1.0	2.0	1.0	2.0	1.0	5	4.0	2.0
Hominy grits.....										.6	.2	1	.5	.3
Peaches.....	10													
Pears.....	2	1.0	3	2.0	1	.5	.4	1.0	.2	.6	.4	1	1.0	.4
Apples.....		5.0	8	12.0	6	11.0	10.0	8.0	2.0	6.0	6.0	5	7.0	5.0
Oranges.....									8.0	7.0	5.0	4	7.0	6.0
Grapefruit.....									2.0	4.0	3.0	1	2.0	3.0
Dried prunes.....	2	2.0	2	2.0	2	2.0	3.0	2.0	1.0	2.0	2.0	1	1.0	1.0
Raisins.....		2.0	2	2.0	2	3.0	2.0	2.0	2.0	1.0	2.0	1	2.0	2.0
Total fruits.....	15	10.0	15	18.0	11	17.0	16.0	13.0	15.0	21.0	18.0	13	19.0	17.0
Peas.....	2													
Tomatoes.....	8													
Snap beans <sup>2</sup> .....		.3	1	.1	1	.2	.2	.6						
Cabbage.....	3													
Onions.....	3	3.0	4	3.0	2	2.0	2.0	3.0	2.0	2.0	1.0	1	1.0	2.0
Dry beans.....	4	2.0	5	4.0	7	7.0	3.0	4.0	1.0	3.0	3.0	5	5.0	3.0
Total vegetables.....	21	5.0	10	7.0	10	9.0	5.0	8.0	3.0	5.0	4.0	6	6.0	5.0
Pork lard.....		6.0	13	9.0	15	22.0	4.0	10.0	3.0	6.0	6.0	9	9.0	6.0
Pork.....									24.0	23.0	25.0	22	20.0	23.0
Total.....	100	100.0	100	100.0	100	100.0	100.0	100.0	100.0	100.0	100.0	100	100.0	100.0

<sup>1</sup> Percentages smoothed to closest whole percent so that in some cases additions of individual items differ from group totals.

<sup>2</sup> Snap beans were on the list only during October. In that period they received about 2 percent of the additional purchasing power.

Source of data: Economic Analysis Section, Federal Surplus Commodities Corporation, U. S. Department of Agriculture.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Calif.	Reynolds
Ashurst	Donahey	Johnson, Colo.	Russell
Austin	Downey	La Follette	Schwartz
Bailey	Ellender	Lee	Schwellenbach
Bankhead	Frazier	Lodge	Sheppard
Barbour	George	Lucas	Shipstead
Barkley	Gerry	Lundeen	Slattery
Bilbo	Gibson	McCarran	Smathers
Bone	Gillette	McKellar	Stewart
Bridges	Glass	McNary	Taft
Brown	Green	Maloney	Thomas, Idaho
Bulow	Guffey	Mead	Thomas, Okla.
Byrd	Gurney	Miller	Thomas, Utah
Byrnes	Hale	Minton	Tobey
Capper	Harrison	Murray	Townsend
Caraway	Hatch	Neely	Tydings
Chandler	Hayden	Norris	Vandenberg
Chavez	Herring	Nye	Van Nuys
Clark, Idaho	Hill	O'Mahoney	Wagner
Clark, Mo.	Holman	Pepper	Walsh
Connally	Holt	Pittman	White
Danaher	Hughes	Reed	Wiley

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. CLARK of Missouri. Mr. President, I desire to address myself very briefly to the parliamentary question presented by the appeal of the Senator from Wisconsin.

In the long and very illuminating remarks of the Senator from Wisconsin he touched only briefly, if at all, upon the parliamentary question involved in the point of order made by the Senator from Georgia [Mr. RUSSELL], and sustained by the temporary occupant of the chair yesterday. That is in the nature of things, because the Senator from Wisconsin, one of the most able and expert parliamentarians in this body, and as high-minded and honorable a citizen as lives in the United States of America, I am certain would not have pretended for a moment that the point of order was not well taken under the rules of the Senate.

The question is presented upon the naked proposition as to whether or not the Senate of the United States desires at

will to set aside a rule because it does not happen to like the application of it in a particular instance, without conforming to the procedure set up by the rules of the Senate themselves for setting aside rules upon occasion, which is the rule providing for suspension of the rules.

Mr. President, in the argument yesterday attention was particularly directed to the first and second paragraphs of rule XVI. It seems to me that the matter should be considered in connection with the third section of rule XVI, because to my mind that is absolutely explicit and mandatory upon the question. Section 1 of rule XVI provides—

All general appropriation bills shall be referred to the Committee on Appropriations, and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session; or unless the same be moved by direction of a standing or select committee of the Senate, or proposed in pursuance of an estimate submitted in accordance with law.

#### Section 2 provides—

The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation, and if an appropriation bill is reported to the Senate containing amendments proposing new or general legislation, a point of order may be made against the bill, and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.

Mr. President, it seems to me that in the section to which I am coming, section 3 of rule XVI, there is an absolute, specific, and mandatory prohibition against the amendment of the Senator from Wisconsin, because section 3 provides—and I have read the preceding sections merely because of the reference in section 3 to the provisions of section 1—

All amendments to general appropriation bills moved by direction of a standing or select committee of the Senate, proposing to increase an appropriation already contained in the bill, or to add new items of appropriation, shall, at least 1 day before they are considered, be referred to the Committee on Appropriations.

In this case the matter was before the Committee on Appropriations, and the amendment was itself reported by the



Committee on Appropriations considerably more than 1 day before its consideration actually came before the Senate.

And when actually proposed to the bill no amendment proposing to increase the amount stated in such amendment shall be received.

There is more in the rule, but it is not necessary to refer to the rest of it.

It seems to me that no sound argument or serious argument can be made on the question of whether or not under the rules of the Senate this amendment is subject to a point of order. The point of order was duly made yesterday by the Senator from Georgia and was duly sustained by the Chair, and, as I see it, the whole question now is whether the Senate intends, because a majority does not at a particular moment like a particular application of a standing rule of the Senate, to set the rule aside, not by the method provided, but by the devious method of having a majority overrule a proper decision of the Chair under the rules of the Senate.

I agree with the Senator from Wisconsin that it has been done in the Senate in some instances in the past. I think it was bad practice when it was done, and I think that every time the Senate follows that practice again it prostitutes its own rules. If the Senate does not wish to be bound by rules, it should not have the rules adopted in the first place.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. NORRIS. I wish to take the Senator back to the first part of rule XVI, which he read. I understand that those who contend that this amendment is in order claim that it is authorized by law and that the objection to the amendment is that it is not authorized by law. Is that a correct statement?

Mr. CLARK of Missouri. That is not a correct statement. As I understood the point of order made by the Senator from Georgia yesterday—and he can restate his own point of order better than I can state it—my understanding was that the committee amendment itself, the whole committee amendment, providing for an appropriation under section 32 of the act of 1935 in the amount of \$87,000,000, would itself have not been subject to a point of order under the provisions of the first section of rule XVI because of the fact that it had been considered and reported by a standing committee of the Senate—to wit, the Committee on Appropriations—and under the rule an increase in that amount reported by the standing committee of the Senate—to wit, the Appropriations Committee—was itself within the purview of the rules.

Mr. NORRIS. The Senator contends that if the amendment in question had not been offered at least a day before it was taken up here, it would itself have been subject to a point of order.

Mr. CLARK of Missouri. I think that is true.

Mr. NORRIS. When an amendment is subject to a point of order, and yet is considered, is not an amendment to that amendment subject to a point of order?

Mr. CLARK of Missouri. The trouble with the Senator's position is this: I will agree entirely with the Senator that if an amendment which is subject to a point of order were offered on the floor of the Senate, and the point of order were not made, or on appeal the point of order was overruled, then the amendment would be subject to any other amendment. But in this case the standing rules of the Senate have specifically laid down the procedure. They provide that on the recommendation or by the direction of a standing committee of the Senate an amendment may be offered which is otherwise obnoxious to the rule. And the rules of the Senate further provide that when such an amendment is offered an amendment to increase the amount provided in that amendment shall not be in order.

Mr. NORRIS. The Senator assumes that this increase sought to be brought about by the committee amendment is obnoxious under the rule, and that Senate rule XVI applies to that amendment in the same way that it would if the item were in the bill as it came from the House?

Mr. CLARK of Missouri. I think that is the effect of rule XVI.

Mr. NORRIS. Then we agree on that.

Mr. CLARK of Missouri. Yes.

Mr. NORRIS. I think that is fair. Now, I want to call the attention of the Senator from Missouri, whose ability as a parliamentarian is well known by everyone and respected by all, to this proposition. I have perhaps been laboring under a misapprehension. Although the Senator does not agree with me, I thought the point of order was made because this particular amendment was not authorized by law. There are several exceptions to the rule, and only under one exception, as I see it, could this amendment by any possibility be declared proper.

Mr. CLARK of Missouri. Of course, if the amount had been authorized by law, then the provisions of rule XVI would not have applied to the amendment.

Mr. NORRIS. Exactly.

Mr. CLARK of Missouri. The Senator from Georgia in his point of order negated the application of the exception to this particular case.

Mr. NORRIS. That is the way I understood it. Now, is the proposal authorized by law? It is contended that it is not. The Chair has to pass on the record like a judge would have to pass on a demurrer on the record before him. Was there anything before the Chair when he made the decision, or has anything been offered to the Senate since which shows that the proposal is not authorized by law?

Mr. CLARK of Missouri. Mr. President, if the Senator will permit me, the burden will be on the proponent of the amendment to show that it is authorized by law, and the Senator from Georgia did quote on yesterday the provision of the statute showing the manner in which the matter is authorized by law, which is to say 30 percent of the customs duties collected for the previous calendar year, and unless it comes within the exception of a particular authorization of law it is unquestionably within the purview of the rule.

Mr. NORRIS. Congress has passed the law—it is a general law—making appropriation of 30 percent of the customs receipts to be used under the provisions of section 32. Have I presented that correctly?

Mr. CLARK of Missouri. I shall be glad to have the Senator from Georgia state his own point of order which he made.

Mr. RUSSELL. The Senator is familiar with the provision of section 32 of the act of 1935?

Mr. NORRIS. Yes.

Mr. RUSSELL. Under that provision of the act 30 percent of the customs duties collected the previous calendar year are to be used for the purpose in question.

Mr. NORRIS. That is my understanding. Then if that be true, up to 30 percent of the customs receipts are authorized by that law.

Mr. RUSSELL. That amount is automatically appropriated.

Mr. NORRIS. Exactly. But we are appropriating in this bill the money that had already been appropriated.

Mr. RUSSELL. Oh, no.

Mr. NORRIS. The Senator cannot tell what 30 percent of the customs receipts is going to amount to for the current year?

Mr. RUSSELL. The receipts for the last preceding year are the receipts in question.

Mr. NORRIS. We have not collected all of them yet.

Mr. RUSSELL. Yes; this does not relate to the fiscal year. It relates to the preceding calendar year. I tried to make that point clear yesterday.

Mr. NORRIS. Mr. President, I did not understand.

Mr. RUSSELL. The 30-percent allocation refers to the customs receipts which come into the Treasury for the preceding calendar year. The total amount of the customs receipts for the calendar year 1939 was \$338,938,730.12. According to the computation I have, 30 percent of that would be \$101,681,619.03.

Mr. NORRIS. In the bill there is carried \$87,000,000.

Mr. RUSSELL. Eighty-five million dollars.

Mr. NORRIS. Does the Senator concede now that an amendment would be in order under rule XVI if it carried \$101,000,000, or exactly one-third?

Mr. RUSSELL. I do not; because the \$101,000,000 is already appropriated, and the \$85,000,000 is in addition to the \$101,000,000, making a total of \$186,681,619.

Mr. NORRIS. I may be wrong about it, but, as I understand, the \$85,000,000 is a part of the 30 percent of the customs receipts?

Mr. RUSSELL. No.

Mr. NORRIS. Then I am wrong.

Mr. RUSSELL. The Senator is in error. This is the first time I have ever seen the Senator from Nebraska misunderstand anything relating to pending legislation. But there is \$101,000,000 already available to the Secretary of Agriculture, if the Congress did not even convene this year. It is a permanent allocation, and it is available to him, and is paid out of the Treasury without any further action by the Congress.

Mr. NORRIS. With the Senator's explanation, I concede I was wrong. I was under the impression that this appropriation contained in the amendment offered by the committee to the bill was a part of the 30 percent of the customs collected.

Mr. RUSSELL. It is in addition to that amount.

Mr. NORRIS. Then I was wrong.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. SCHWELLENBACH. Will the Senator discuss the question from this point of view? It is clear that the proposal is for an amount in excess of the amount authorized by law; but there are many precedents, as I understand, with respect to what seems to me to be fairly analogous situations, going back to Vice President Marshall's time, who as presiding officer of the Senate held that when the House opened the door on appropriations and put legislation on appropriation bills, the rule of the Senate did not apply.

Mr. CLARK of Missouri. Mr. President, that is undoubtedly a sound parliamentary view, but in this case, rule XVI, so far as the first three sections are concerned, is in flat derogation of the general parliamentary rule. There is an exception by which an increase may be offered, which is on the direction of a standing committee, which has been approved by the Committee on Appropriations. In this case it was not necessary, because the standing committee which authorized the amendment in the first place was the Appropriations Committee itself. But there is also a limitation set out in the body of the rule as specifically as it is possible for the English language to do, which says that when such an amendment is presented to the Senate for consideration, it shall not be subject to an increase; and the point of order made by the Senator from Georgia yesterday was specifically in accordance with section 3 of rule XVI.

With respect to the point which the Senator from Washington just presented of questions between the Houses, when one side has opened up the door, and the right of the other body to put on any amendment that it may see fit, as a matter of general parliamentary law that may be true in some cases, but we are restricted by the specific provisions of rule XVI in this particular case.

Mr. SCHWELLENBACH. But we have another more or less analogous situation. On one occasion a motion was made to suspend the rules—

Mr. CLARK of Missouri. Mr. President, evidently the Senator from Washington did not hear what I said a while ago. This is a method for evading the provision of the rule of the Senate, which authorizes a suspension of the rule. The provision for the suspension of the rule requires a two-thirds majority, and requires that notice be given 24 hours in advance. This proposal is to suspend the rule in one particular case by a majority vote without notice, on an appeal from the decision of the Chair. We have that very proposition presented here in this bill. The Senator from Louisiana [Mr. ELLENDER] has presented an amendment which he recognizes as being clearly subject to a point of order. The Senator from South Carolina [Mr. BYRNES] has another

amendment which he recognizes as being clearly subject to a point of order. Realizing that under the rules of the Appropriations Committee the chairman of the subcommittee in charge of the bill is necessarily bound to make the point of order, they presented notice in due form of a motion to suspend the rule to make the particular proposition in order, and that motion can be adopted by two-thirds of the vote of the Senate.

Mr. SCHWELLENBACH. If that is done, and the door is opened, can anything be added to it?

Mr. CLARK of Missouri. Yes.

Mr. BYRNES. I do not think the Senator understands the question. If due notice is given to suspend the rule, and the rule is suspended, the Senator from Washington inquires whether it opens it up to other matters, or is it not solely confined to the matter set forth in the notice to suspend the rules?

Mr. CLARK of Missouri. It is confined to the matter referred to in the language of the notice of intention to suspend the rule.

Mr. SCHWELLENBACH. I called attention to the fact that last summer notice of a motion to suspend the rule was given by the Senator from Nevada [Mr. McCARRAN] in connection with the work relief bill. If the rule had been suspended, the Senator from Nevada could then have offered his amendment to the bill, even if the doors were not opened up?

Mr. CLARK of Missouri. I am not familiar with that situation. The only thing I can say, Mr. President, is that so far as the pending appeal is concerned, by the specific terms of rule XVI, the ruling of the Chair on yesterday was correct.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. O'MAHONEY. I venture to interrupt the Senator because the same question which appears to be in the mind of the Senator from Washington was in my mind this morning when I read the RECORD. I was not present in the Senate yesterday when the point of order was raised. I have resolved the doubt in my mind, and I am quite satisfied now that the Chair was correct in his ruling. I venture to interrupt the Senator in the belief that by merely alluding to the processes by which I reached the conclusion I may clear up the doubt in the mind of the Senator from Washington.

As I read the first paragraph of rule XVI, it provides for three limitations upon amendments which may be offered.

Mr. CLARK of Missouri. All of which are in derogation of the general parliamentary law.

Mr. O'MAHONEY. Yes. Those three limitations are that an amendment shall not be received, first, unless it is to carry out provisions of some existing law, or treaty stipulation; second, or an act, or resolution previously passed by the Senate during the session; and, third, unless it be moved by direction of a standing or select committee.

Paragraph 3 of rule XVI is a limitation upon that third limitation in paragraph 1.

Mr. CLARK of Missouri. That is entirely correct.

Mr. O'MAHONEY. And it provides that when a standing committee has brought in such an amendment which otherwise would have been out of order it shall not be increased upon the floor of the Senate.

Mr. CLARK of Missouri. Mr. President, the Senator has correctly stated my view of the matter.

Since I am on my feet, and since I do not wish to be in the attitude of hiding behind a parliamentary position in the matter, I wish to state my own position with regard to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE]. I shall do so in a few sentences.

I am very much in favor of the fullest appropriations under section 32 of the Agricultural Adjustment Act. I have contributed, so far as my ability permits, to bringing about appropriations under that section. I realize the force of what has been said by the Senator from Wisconsin, and I realize that the money spent under section 32 is probably as



valuable an investment as the Government of the United States is making at the present time. Nevertheless, Mr. President, I have long been an adherent of the theory that part of something is much better than all of nothing.

We held meetings on this matter, trying to determine the amount which could be asked for in this body by the friends of parity payments and of surplus disposition under section 32, and which would in all probability be able to stand the twin ordeals of passage by the House of Representatives and signature by the President of the United States.

At the meeting which I attended, at which the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Illinois [Mr. LUCAS] were present, being particularly interested in the matter of surplus appropriations under section 32, the sums carried in the bill were suggested. There was much discussion about the matter. I do not think there was any difference in purpose among those attending the meeting. We were trying to get all that we legitimately could for these very necessary purposes of the Government.

I know that the Senator from Wisconsin did not feel bound by the discussion that day. As we all know, he is one of the most honorable and high-minded men in the United States. However, Mr. President, I must say that, so far as I am concerned, with my very deep interest in appropriations under section 32, when I left that meeting, which was held in the office of the Senator from Alabama [Mr. BANKHEAD], I felt that I was bound to cooperate with whatever was the final decision of the Subcommittee on Appropriations on the question of inserting into the House bill very extensive appropriations not carried by the House bill for these very laudable and justifiable purposes.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I shall be glad to yield in just a moment.

It was for that reason that yesterday I voted against the amendment for full parity payments. It is for that reason that if the appeal by the Senator from Wisconsin [Mr. LA FOLLETTE] from the decision of the Chair shall be sustained and the amendment shall be voted upon, I shall feel constrained to vote against it, much as I am in sympathy with the purposes which actuated the Senator from Wisconsin. I now yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I merely wish to keep the record straight. Every Senator who was in the meeting to which the Senator refers, and the only one to which I was invited—

Mr. CLARK of Missouri. That is the only one at which I was present.

Mr. LA FOLLETTE. Every Senator who was present at that meeting will remember that from the beginning to the end of the meeting I argued against any cuts being made in either parity-payment appropriations or section 32 appropriations.

Mr. CLARK of Missouri. I think that is entirely true.

Mr. LA FOLLETTE. When the meeting broke up, my recollection is that the Senator from Georgia [Mr. RUSSELL] intended to wait upon the majority leader to ascertain the prospect of taking up the agricultural appropriation bill, and that in the event he should be successful in bringing it up a subsequent meeting would be called further to discuss the matter.

So far as I am concerned, that is all I know about the matter; but I do know that I consistently maintained that, in view of the economic situation, both at home and abroad, it would be a tragic mistake for the Congress to reduce the agricultural appropriations, either for parity payments or for section 32 appropriations, below the total of appropriations which had been made out of the Treasury for those purposes during the preceding year.

Mr. CLARK of Missouri. Mr. President, the statement of the Senator from Wisconsin is entirely correct. I wish to reiterate that I know that the Senator from Wisconsin does not have the same feeling I have with regard to the effect of that meeting. Otherwise he would not have offered this amendment. I again express my deepest sympathy for

the purposes of the amendment, but I also repeat that it is better to get part of something than all of nothing.

#### CENSUS OF 1940

Mr. TOBEY. Mr. President, I desire to present to the Senate some facts about the census and Senate Resolution 231.

In the Senate recently I asked the majority leader to allow the census resolution to be voted on by the Senate this week, but he refused, saying that the bill to extend the reciprocal-trade agreements would be taken up next.

I pointed out that time was of the essence regarding the census resolution, because 130,000 census takers will begin work on April 2, whereas the act to extend the reciprocal-trade agreements cannot take effect until June 12; but the determination of the administration leaders to stifle Senate action on the census resolution remained unchanged.

I have received more than 15,000 letters written by citizens from all walks of life, and no one who has read those letters could fail to share my determination to act to relieve the people from the hardship which is imposed by the Government regarding the personal questions contained in the questionnaire and the threat of imprisonment for refusal to answer.

Time after time in the past few weeks the Census Director has emphasized that no man has ever been put in jail for refusal to answer census questions. Several days ago I received a call from a man who told me that a friend of his, at the time of the taking of the last decennial census, refused to answer certain census questions, was put in jail, subjected to the third degree, and driven insane, and is now in an institution for the insane. I have had a search made of the police-court and jail records in his case, and the records verify that this man was sent to jail for refusal to answer census questions. He was kept there several days, until he reached such a frenzied state that, upon medical examination, he was found to have become insane and was committed to an institution for the insane. This man before the time of his arrest was an outstanding citizen in his community and enjoyed a good reputation.

My point is this: No action that could be taken by the Congress or by the Secretary of Commerce or anyone else could reestablish him in his community with the reputation and standing which he enjoyed before he was jailed for refusal to answer the census questions, but we can take action to insure that in the future no such high-handed and cruel practices will be permitted.

My position is that it is un-American to force the people of this free country to submit to such a personal inquisition under threat of imprisonment. We may send men to prison for deliberate acts of dishonesty, for thefts, for assaults, and other criminal offenses, but not decent American citizens merely for refusing to divulge personal information to their neighbor-enumerators.

I feel that it is my duty to mention another false assurance that has been given to the American people; and this is important. Time and again we have heard from the President, from Mr. Hopkins, and from Mr. Austin, of the Census Bureau, that the information which is given to the Census Bureau will be kept in strictest confidence.

Speaking over a national radio hook-up on February 5, Director Austin said:

You also have a right to know that your reports to us remain confidential for all time. No Government bureau or agency can look into our files to find out about you. No person or bureau can get our files for any purpose—taxation or criminal investigation or anything.

That is an important assurance, and we have a right to rely upon it, but listen to the facts.

I have been advised by census employees of facts which have been corroborated by others. Businessmen have been obliged in the recent business and manufacturing censuses to fill out detailed schedules, giving intimate secrets of their affairs, secrets which they would never divulge to their rivals. If they knew of the subterfuge which is practiced by the Census Bureau, whereby private concerns are given access to such so-called confidential information, there would be an

uprising in America which would make the revolt against the income questions seem insignificant.

At the head of every census schedule the following is set forth in bold type:

Confidential census report. This report is required by act of Congress. This act also makes it unlawful for the Bureau to disclose facts, including names or identity, from your census reports. Only sworn census employees will see your statements. Your census reports cannot be used for purposes of taxation, regulation, or investigation.

I have confirmed from sources in the Census Bureau that for many weeks representatives of the T. N. E. C., an outside agency, have been searching census records in connection with the monopoly investigation, and have had access to individual schedules of businessmen.

Moreover, outside business concerns are being allowed to send their representatives to the Census Bureau to be sworn in as temporary census employees, in order to technically come within the law which prohibits anyone but census employees from seeing the census records. A regular census employee made the following statement to me:

These outside individuals take the oath and become a so-called census employee, but they never do a tap of work, so far as the census is concerned. They simply come down here and take the oath, which doesn't mean much to some people, and they have full access to the census records anywhere they want to go and search with a fine-tooth comb. Before they can take away this information, they are referred to a certain office, for approval, but they are sharp enough not to include anything that wouldn't be passed; but in the weeks they are working here, they could take out anything they want to in the form of small memoranda. In those confidential files they could get information about any individual or concern. They are sworn in as census employees, but they are not census employees in truth, because they do not work on the census, they work for their own use.

What an opportunity for unscrupulous business concerns to get confidential information about their business rivals.

In 1935 the Secretary of Commerce gained adoption by the Congress of an act, which, in the light of the revelations I have just made, provides an effective means by which secret and confidential data in the Census Bureau can be revealed to private business concerns or individuals. By this act the Department of Commerce is given blanket discretion, at the request of any person, firm, or corporation, to secure special services of persons who are neither officials nor employees of the United States. The money to pay these men is furnished by the person, firm, or corporation and used, "in the discretion of the Secretary of Commerce and notwithstanding any other provision of law," to employ outsiders and thereby give them access to confidential census files.

I have an affidavit stating that an agent of the F. B. I. approached a certain woman and threatened that if she refused to give him certain information as to the lives, marriages, and so forth, of her family, he would get it after the census was taken and he had talked with the census man. She said she would tell them where she was born, and so forth, and that was all; and the agent said, "You had better answer all the questions they want to ask. If you do not, you will be locked up."

I naturally dislike to present this picture, but in the choice between protecting the Census Bureau by concealing the facts and protecting the public interest by revealing the facts, my duty is clear; I have no alternative.

In my radio talk last week I spoke as follows:

If you stand upon your constitutional rights and refuse to answer the questions which violate your right of privacy as guaranteed under the Constitution, you will have plenty of company.

Soon after the President, through his secretary, charged that I had openly advised the American people to violate the law. My answer is that an unconstitutional question or a question never authorized by Congress does not come within the law; and so I replied to the White House, "What law, Mr. President?" But he did not and could not answer that.

The President's attack comes with poor taste from the man who, in 1935, wrote to the chairman of a House committee urging passage of one of his "must" bills. He ended his letter with these words:

I hope your committee will not permit doubts as to constitutionality, however reasonable, to block the suggested legislation.

The Chief Executive lightly brushed aside the Constitution, and asked the Congress to join him in such disregard. The Supreme Court later declared the bill unconstitutional. This action of the President brought to my mind vividly the picture of Lincoln in the White House in 1861, when a group from Congress called on him to secure his support for a bill which they said was unconstitutional, but which they wanted passed, and Lincoln replied:

Gentlemen, it was in the oath that I took that I would to the best of my ability preserve, protect, and defend the Constitution. I could not take the office without taking the oath. It is not in me to take the oath to get the power and then break the oath in using the power.

A far cry from 1861 to 1935.

The Senate Committee on Commerce has officially reported that the claim of the Department that the income questions are legal is inconsistent with the restrictions expressed by Congress. It is not correct to contend that an unauthorized ruling of a departmental bureau constitutes a law of the United States. It is time to call a halt to attempts of departments to arrogate to themselves the functions of a legislative body, especially in matters which threaten the people with imprisonment for not bowing to the will of a bureau head.

Mr. President, I now wish to point out a statement appearing on page 163 of the hearings on Senate Resolution 231, in the testimony of the Director of the Census, Mr. Austin. He made a radio address to the American people to which I have hitherto referred. In that radio address he said to the people of the country, trying to have them possess their minds in patience, and attempting to calm down righteous indignation, and I quote him directly:

In the first place, the questions we will ask you are not our questions, but they are your questions.

I asked Mr. Austin, "Do you think that is a fair statement—that those are the people's questions?" He answered, "I think that statement is exaggerated"; and, of course, it is exaggerated. The American people never asked for those questions. Certain research organizations and large business organizations did, for their own selfish purposes—not pro bono publico, for the good of the common man—and I say again on the Senate floor that in my honest judgment there is an ulterior purpose behind some of these intimate personal questions in the census questionnaires.

More of that later. Some day the scales will fall from the eyes of the American people, they will see these things in their true light, and they will cry out, as Macbeth did to Macduff:

Lay on, Macduff;

And damn'd be him that first cries, "Hold, enough!"

And God pity the man who gets in the way of that righteous indignation.

Mr. President, I hold before me a volume entitled "Sixteenth Decennial Census of the United States. Instructions to Enumerators. Population and Agriculture." I refer to that volume specifically. Herein, sir, if you please, is a total of 79 pages of small type giving instructions to those who are going to make the population census enumeration, all of whom are to be partisan, politically appointed enumerators, most of whom are going to be your neighbors, if you please, some of whom may be your enemies, some of whom may be your creditors, who are going to come in this snooping investigation and ask these intimate, personal, obnoxious questions. So we have before us 79 pages of instructions, and a school for enumerators is being held of 4 days' duration, and unless they get a group of men and women in this country who have more than average intelligence, I defy them to go out on the highways and byways of the hinterland of America and ask with any coordination of mind and common sense these questions in an orderly and a sane way.

I want to read you some of these instructions. Let us have a little conversation here together. I read now from page 3 of these questionnaire instructions, under the head—



ing "Enumerator's rights." This is addressed to the enumerator, and the instructions say, under paragraph 17:

You have the right of admission to all dwellings \* \* \* within your territory for the purpose of obtaining information required by the Bureau of the Census.

I cite that because the census group in Washington derided me because I said, "On April 2 an army of 130,000 individuals will invade your homes." I stick by my guns. They are going to invade them, and there is their authority for it:

You have the right of admission to all dwellings \* \* \* within your territory for the purpose of obtaining information required by the Bureau of the Census.

Now go to the bottom of page 3, under the heading "Refusals to answer":

In case your authority is disputed—

I am reading from paragraph 18 of the instructions—

show your certificate of appointment, which you must carry with you at all times. It is of the utmost importance that your manner should, under all circumstances, be courteous and conciliatory.

Good!

In no instance should you lose your temper or indulge in disputes or threats. \* \* \* After all other means have failed, call the attention of the person to the penalty provided in section 9 of the Census Act for refusal to give the information requested—

Fine and jail sentence.

In other words, do not threaten the housewife; just tell her she will go to jail if she does not answer.

Now, if you please, under "Untruthful replies," listen to this:

You have a right not only to an answer, but to a truthful answer. Do not accept any statement that you believe to be false.

Listen to this:

Where you know that the answer is incorrect—

The instructions say, "Where you know." That is a figment of the imagination of the census enumerator. He is to be the sole judge whether it is correct or not. If he is your enemy or your creditor he may purposely, according to the dictates of human nature, which is frail in all of us, say, "That is not correct," and put down what his sweet will dictates.

Here are the instructions:

Where you know that the answer is incorrect, enter upon the schedule the correct answer as nearly as you can ascertain it.

Out of his own mind he may put down what he thinks is the truth, regardless of what you say to him.

I come down now to the next paragraph, 21:

Be particularly careful when enumerating a household that no person is reading the entries you are making or the entries you have made for other households. You are not permitted to show anyone, other than authorized census employees, the schedules that you have filled out, or to retain copies of the schedules or of any parts of them.

So the questioned housewife will not be allowed to check as to the correctness of the answers as written down by the enumerator.

Now read with that paragraph 28:

You must not permit anyone to accompany or assist you in the performance of your duties \* \* \*. This does not prevent you, however, from receiving the unpaid assistance of individuals, when necessary, in order to obtain information concerning persons who do not speak English, or concerning absent households or members of a household as provided in paragraphs 45, 305, 372a, and 387.

The application of that is this: If I am a census enumerator and go into parts of a city where there are, say, a large section of Greek, or Finnish, or Polish people, and I do not speak their language, I may call in anybody I want to—say the political boss of that group. He does not have to be sworn in. He is not an employee of the Government. He does not work for pay; but I may give him the privilege of cross-examining these people and learning the inmost secrets of a foreign group anywhere in America for political purposes if he desires to use the information.

Along this line I called on the telephone the other day the second gentleman in charge of the Census Bureau. There

was apprehension in my heart regarding much of this census procedure. I said to him, "Sir, I raise a question with you. Your census enumerators over the United States, 130,000 of them, will go out on April 2. You will get this intimate personal evidence of debts, of mortgages, of age, of divorce, and many other questions. You will compile it in schedules. When your census enumerator goes home at night, what becomes of the schedules containing intimate personal data about the people he has questioned all day long? It may be open to inspection by Enumerator Tom, Dick, or Harry's family or associates. So I asked the Census Bureau, What becomes of the schedule at the close of day?" And the answer glibly came back, and it was a false answer, "Why, he returns those schedules every night to the district supervisor of his district."

I questioned this statement, as I should, and I said, "Do you mean to tell me that the enumerator in a country town in New Hampshire or in Missouri is going to travel several hundred miles to his district supervisor, who may live that far away, to turn each day's work into his hands? It is physically impossible." He said, "Wait a minute"; and he went out and got his instructions from somebody else, and returned and said, "Oh, no; I am wrong. The enumerator keeps them in his own possession until the census is concluded, a matter of 4 weeks or so." So now we find that Tom, Dick, or Harry, the census enumerators, keep these schedules of the citizens throughout the country which deal with their intimate personal affairs on the mantelpiece, perhaps, or in their pockets, or in their bureau drawers, or on the family table for 4 weeks, open to anybody's scrutiny, before they are turned in to the headquarters of the district supervisor. What a travesty on privacy and keeping this personal information confidential.

So much for some of the doubts and weaknesses and camouflage of the census enumerating.

I read you now a letter. Here is one I have received, 1 of 15,000. If this does not touch something down deep in your hearts, there is something wrong with you. I say it very frankly. It did in my case. This is not a single instance, but it is one of many; and I want to inject something right here, Mr. President.

It is a great thing for you and me, in our intercourse with our fellow Senators here, to have their good will and camaraderie and esteem and regard and affection, if we can gain them and are worthy of them, and, of course, we all desire them; but if any Senator in this Chamber wants those things so much that he sacrifices something more important, then he is not measuring up to the goal he ought to achieve. We need to look beyond the confines of this rectangular Chamber, and beyond our friends in the galleries, out over this country, North, South, East, and West, and see 130,000,000 people, men and women, your and my brothers and sisters in the last analysis, working in the shops, in the factories, in the homes. Those who sent us here and who are sovereign over us. We need to keep faith with them; and the tragic part of America today is that all over this country, regardless of party, so many men and women have lost faith in government, for this reason: They have sometimes come to the conclusion, and it is almost justified, that we who may be in the Senate or in the House or in places of authority in government do not give a damn about them except at election times, to get their votes. That is a deep-seated conviction in many hearts, and sometimes it may seem to be almost justified. That is the reason today why our Government has not the confidence of a large part of our citizenry. The one thing my party and your party have to do is to look over this Nation fore and aft, and by our works and by our utterances and by our actions revive faith of the common people in the institution of government.

I now read this letter to you with that preface. It is from a woman:

Three years ago I purchased a home for myself and little son. When the neighbors were curious about my affairs I merely told them that I was a widow. Senator TOBEY, my marriage was an unfortunate mistake. My husband, a lawyer, deserted me when my little boy was less than 1 year old, as he did not want children. I managed to keep the baby with me and make a living. A year ago

I quietly got a divorce from my husband, whom I have not seen for over 11 years.

My son is now 12 years old, and I do not wish him to know I am divorced until he is a little older and understands more about life, and I wish to tell him myself. This matter is something that concerns only his life and mine. I understand the census taker for here is likely to be a member of one of the most inquisitive and gossiping families in the neighborhood. If I am forced to answer these census questions my whole private affairs will be the property of the neighborhood and my son will be told his private personal affairs by his schoolmates and neighbors. What am I to do?

If I refuse to tell my most intimate and private personal affairs to this inquisitive neighbor and go to jail, which, believe me, I prefer doing to telling what I have now told you, I have no one to take care of my son and my home, and what effect would it have on his outlook on life and on our lives here? I know it would forever after be thrown up to him at school that his mother did a jail term. I consider if one is not a lawbreaker one's private life is a matter solely between God and oneself. What can I do? Please, Senator TOBEY, do find time to answer this letter, as I am a good citizen and have a real problem, and if someone in Washington can't help me I will have no one to turn to.

That letter, Mr. President, is but one of many from women throughout the Nation who are seriously troubled by the inquisition of the census schedules.

Mr. President, I revert to the instructions to enumerators and turn to page 28, instruction 372, "Procedure for absent households":

Households in your district whose members will be away from their place of residence during the entire period of the canvass are to be handled as outlined below.

And this is the outlined program, section 372a:

Try to obtain the desired information from neighbors or from some other person who may be able to furnish it.

Try and visualize such a situation, Mr. President. Back in my town of Temple, or out in Wisconsin, or up in Vermont or Massachusetts, the enumerator would go to the door and rap, and when the housewife came he would ask her, "What can you tell me about your neighbors, Mary Smith and her husband? Have they a mortgage on their house? What is the amount of same? Frequency and amount of regular payments? Is she divorced? At what age was she first married?"

Mr. President, that is the instruction to the enumerators. When you put the microscope on these enumeration questions, and then give consideration to the rights of the American people, who are guaranteed an inherent right to privacy under the Constitution, you cry out, "Shame on the American Government for such inquisitorial methods."

Now I close, and I desire in closing to read something to the Senate. This is not CHARLES TOBEY speaking, but I am speaking for one who has a great place in the hearts and intellects of all America, who 100 years from now will be quoted by American high-school and college students. He is one of the great Americans of all time, one of the greatest liberals alive today. I refer to former Justice Brandeis, of our Supreme Court, from my native State of Massachusetts. Listen to Louis Brandeis speaking to the people of America. This is his statement, made in 1927, and what he said is as true today as it was then. It will be true a hundred years from now, please God, if we bring this Nation back to the principles of liberty and freedom on which it was founded:

Experience should teach us to be most on our guard to protect liberty when the Government's purposes are beneficent. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding.

I continue to quote from Mr. Justice Brandeis:

The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings, and of his intellect. They knew that only a part of the pain, pleasure, and satisfaction of life are to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions, and their sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized man. To protect that right, every unjustifiable intrusion by the Government upon the privacy of the individual, whatever the means employed, must be deemed a violation of the fourth amendment.

God bless Louis Brandeis and may he live among us many more years as a citizen of the Republic; and all down through the decades, after he has passed on and gone to his reward, the spirit and the truth of those words should be an inspiration to America and an inspiration to every man to carry on, not primarily to please his fellows but to keep faith with the American people, true to the best traditions of our country, whose we are and whom we serve.

Mr. President, I ask that there be printed in the RECORD an editorial on the subject I am discussing, from the Hartford Courant of March 18, 1940.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Hartford Courant of March 18, 1940]

#### THE PRESIDENT AGAINST SENATOR TOBEY

The President, through one of his secretaries, again takes sharp issue with those Members of Congress who are demanding the deletion of certain questions that the Census Bureau has prepared for the 130,000 politically appointed enumerators to ask when they begin taking next month the Sixteenth Census of population. He particularly attacks a Senator who, in a recent national broadcast, urged his listeners not to answer inquiries about their incomes. That Senator is none other than CHARLES W. TOBEY, of New Hampshire, who introduced the resolution declaring it "to be the sense of the Senate" that the Director of the Census and the Secretary of Commerce should immediately cause to be deleted from the questionnaire these two items: "(32) Amount of money, wages, or salary received (including commissions) in 1939; (33) Did this person receive income of \$50 or more from sources other than money, wages, or salary?" He is the first Senator, Mr. Roosevelt says, who, to his knowledge, has "openly advised the American people to violate the law."

Senator TOBEY is not in the least disturbed by that indictment. On the contrary, he turns it back against the President by asking him if it is his position that "an unauthorized ruling of a departmental bureau constitutes a law of the United States." He reminds him that the Senate Committee on Commerce holds that the income questions are illegal and were never authorized by Congress. Furthermore, he says that these questions are a clear infringement of article IV of the Bill of Rights, and he quotes the Supreme Court as saying that the principles of that article "embody the essence of constitutional liberty" and forbid "all invasions on the part of the Government and its employees of the sanctity of a man's home and the privacy of his life."

It is not Senator TOBEY's view alone or that of the Senate Commerce Committee or that of any number of Senators and Representatives that the Census Bureau has no constitutional or legal right to ask these Paul Pry questions, and under penalty of fine or imprisonment, or both, to compel their answer. It is also the view of distinguished authorities entirely outside of Congress; for example, Dr. William Starr Myers, professor of politics at Princeton University, who says that the questions are "a direct violation of the Bill of Rights in the United States Constitution, and totally unwarranted as an infringement of private rights and individual liberties."

So it seems that Senator TOBEY, in asking his radio listeners to stand with him in refusing to tell the census takers about their income, was in effect advising them to maintain their constitutional rights. The rules of bureaucrats may have a high rating with this administration, they may be regarded as having the full force of law, but there is a higher law than theirs, and it is laid down in the fundamental law of the land.

How shaky is the ground on which the administration, the Department of Commerce, and the Census Bureau stands with respect to these obnoxious questions is revealed by the action of Secretary Hopkins in ruling that reply may be made anonymously on a blank that the census taker will supply and mail to the Census Bureau. Yet only the other day Secretary Hopkins was standing squarely by the Census Bureau's schedule of questions, declaring that they must be answered in every particular and citing the penalties that would be incurred for noncompliance.

From this it would seem that the rulings of the Census Bureau are not quite the equivalent of either a constitutional provision or a specific enactment by Congress. Is it any worse for Senator TOBEY to tell his radio listeners what he did than it is for the Secretary of Commerce to make one law today, repeal it tomorrow, and then for the President to censure the Senator for publicly advocating the violation of law?

Congress does not appear to be impressed with the sanctity of Census Bureau law, and despite all the pressure that the administration may be able to bring it is predicted that the Tobey resolution will be adopted, if for no other reason than to give Senators an opportunity to express their approval of the popular resentment. But because the census questions have already been printed, it is proposed that the whole matter might be resolved by abolishing the penalties for not answering them. Such a proceeding might easily render the whole enumeration nearly useless. All that is seemingly required is to instruct the census takers not to ask questions 32 and 33, even if they must still ask the householder whether he owns his own home, whether it is mortgaged and, if so, for what amount, and how regularly he is meeting his debt.



payments; also, whether he has a flush toilet and, if so, whether it is used by his family exclusively or is shared with others, and whether the bathtub, if any, is restricted to the uses of the family.

This will not be the first time that census takers have asked questions that the average citizen thinks are none of the Government's business, but it is the first time that the privacy of the citizen has been invaded to any such extent. It savors more of the practices of totalitarian countries than of the free representative democracy of the United States.

Mr. TOBEY. Mr. President, I now address the majority leader of this body. The majority leader and I talked this matter over before, and I am coming to him in all sincerity and good faith to make a proposition to him. He knows how anxious I am that Senate Resolution 231, reported favorably by the Committee on Commerce, with a splendid report back of it, should receive consideration and be voted upon in the Senate. I now say to the majority leader that, with between one and two million people behind this proposal, representing an outraged public opinion, the Senate and its leadership, in my honest judgment, and with all due respect, have no right to put obstacles on the track of progress and not permit a vote. So I ask the majority leader what his plans are, if he can tell me now, as to what he will suggest at the end of today's session. Does he plan to move that the Senate adjourn, or recess, and when?

Mr. BARKLEY. Mr. President, I do not think I am called upon to reveal to the Senator from New Hampshire whether it is my plan to move that the Senate recess or adjourn. I will say to the Senator that, so far as I know now, the motion will be to recess.

Mr. TOBEY. If I may make a request of the Senator at this time, I now request, before my colleagues in this body and before the American people, that instead of recessing the Senator move that the Senate adjourn at the close of today's business, for the express purpose—and I put the cards on the table, I want to be frank with the Senator—of having a new session tomorrow morning, and at that new session that we go ahead with the morning session and have the calendar called, and I pledge my word that we can dispose of this whole matter by 2 o'clock. I now ask the Senator to join me and the people of America.

Mr. BARKLEY. Whether I move that the Senate adjourn or recess may depend on how much time is wasted on extraneous "bunk" instead of considering the bill which is now before the Senate.

Mr. TOBEY. I may say to the majority leader that he has the same germ in his system other Senators have. He is trying to laugh this thing off, but I look beyond the majority leader, I am speaking for 130,000,000 people. The majority leader cannot laugh it off any more than the Senator from Oklahoma did.

Mr. BARKLEY. I am not trying to laugh it off. I think that if the Senator from New Hampshire were left to his own devices he would probably accomplish that for himself. But I stated day before yesterday, in all sincerity, what the plan was, so far as I could control it. The Senate can vote down any motion I make or that any other Senator makes. I told the Senator a day or so ago that we planned to take up the trade-agreements bill when the pending bill was out of the way. That is still the plan. When the consideration of the pending bill is concluded today, or when it is concluded, if it ever is, which I hope will be today, it is planned to move to proceed to the consideration of the trade-agreements bill. If the Senator from New Hampshire can obtain enough votes to defeat that motion, and can be recognized by the Chair, it would be in order for him to move to take up his resolution. But, I say in all frankness and sincerity, and not in any desire to be captious or carping with the Senator from New Hampshire, that that is the program. It has been the program for weeks, and I see no reason to deviate from it, if the Senate is willing to adopt the motion which will be made at the conclusion of the consideration of the pending bill.

Mr. TOBEY. Let me point out to the Senator again what I pointed out a few days ago. The reciprocal-trade agreements now in force will not expire until June 12. The census

enumerators will start taking the census on April 1. I believe that anyone with any perspicacity at all will readily see that this census matter should have a prior claim on the Senate's attention, having such a great degree of public interest behind it, and especially because of the time element involved. Why not join me in this and give the people a chance to express themselves in the Senate, instead of holding it back?

Mr. BARKLEY. I have made my position known.

Mr. TOBEY. I was asking about the discrepancy in the dates.

Mr. BARKLEY. I do not agree with the Senator from New Hampshire in his premise in the first place, and I do not wish to take the time now, which should be devoted to the consideration of the pending bill, to go into a discussion of the Senator's census resolution. When the time comes, if it is before us on its merits, I may discuss it; but I do not care to consume the time of the Senate now in a discussion of it.

Mr. TOBEY. Let me put a hypothetical case. Suppose the majority leader did agree to an adjournment this afternoon and did agree to have a session tomorrow, and I made the proposition that by 2 o'clock we would have this resolution out of the way. How would that interfere with the reciprocal trade agreements measure?

Mr. BARKLEY. In the first place, I do not think the Senator could get any such agreement as that. In the next place, I do not intend to consent to the displacement or postponement of the trade-agreements bill. Of course, the Senate can do that if it wishes.

Mr. TOBEY. The Senator from New Hampshire recognizes the great leadership of the Senator from Kentucky and his great influence, and he wants him as an ally and friend in this matter.

Mr. BARKLEY. I think the Senator probably overestimates my influence.

Mr. TOBEY. No; I do not. That is my best judgment.

Mr. President, I rest my case.

#### AGRICULTURAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes.

The PRESIDING OFFICER (Mr. Brown in the chair). The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. RUSSELL. Mr. President, if the Senate does not object to reverting to the agricultural appropriation bill—

Mr. BARKLEY. If it takes unanimous consent to get back to the pending business, perhaps the Senator will make the request.

Mr. RUSSELL. Instead of asking unanimous consent, I shall address myself to the agricultural appropriation bill, despite the suggestion of the Senator from Kentucky that it is not before the Senate.

Mr. President, I wish to make only a very brief statement with reference to the parliamentary situation.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK of Missouri. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Gillette	Johnson, Colo.
Ashurst	Chandler	Glass	La Follette
Austin	Chavez	Green	Lee
Bailey	Clark, Idaho	Guffey	Lodge
Bankhead	Clark, Mo.	Gurney	Lucas
Barbour	Connally	Hale	Lundeen
Barkley	Danaher	Harrison	McCarran
Bilbo	Davis	Hatch	McKellar
Bone	Donahey	Hayden	McNary
Bridges	Downey	Herring	Maloney
Brown	Ellender	Hill	Mead
Bulow	Frazier	Holman	Miller
Byrd	George	Holt	Minton
Byrnes	Gerry	Hughes	Murray
Capper	Gibson	Johnson, Calif.	Neely

Norris  
Nye  
O'Mahoney  
Pepper  
Pittman  
Reed  
Reynolds

Russell  
Schwartz  
Schwellenbach  
Sheppard  
Shipstead  
Slattery  
Smathers

Stewart  
Taft  
Thomas, Idaho  
Thomas, Okla.  
Thomas, Utah  
Tobey  
Townsend

Tydings  
Vandenberg  
Van Nuys  
Wagner  
Walsh  
White  
Wiley

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. RUSSELL. Mr. President, I am very happy that the distinguished Senator from Missouri [Mr. CLARK] has discussed in some detail the parliamentary question which the Senate will soon determine. Before my service in this body, I had had the honor of serving as the speaker of the lower house of the legislature of my State, and thought I knew something about parliamentary law.

The legislature of my State, in common with most of those in this country, used the rules of the National House of Representatives; and when I came to this body I saw the difference in the rules of the House of Representatives and the rules of the Senate, and found that all the study I had made theretofore of parliamentary procedure was a detriment rather than an aid to me in understanding the Senate rules.

But there must be very little question, Mr. President, if the Senate rules are to be observed, that the point of order against the proposition of the Senator from Wisconsin is well taken. It has been stated that the effect of the rule is to make the Committee on Appropriations superior to the Senate in the consideration of increases to appropriation bills in excess of the authorization of the basic law which limits the amount of such appropriations. I wish to point out to the Members of the Senate that this rule was not written by the Committee on Appropriations. Instead of being a rule of the Committee on Appropriations for the Senate, it is a rule of the Senate for the conduct and guidance of the Committee on Appropriations.

As has been well stated here, under the first article of rule XVI there are only three exceptions to the rule which prevents the offering of such amendments to appropriation measures. One is to carry out a treaty stipulation, or some existing law or a resolution previously passed, or proposed in pursuance of an estimate submitted in accordance with law, which, of course, means a Budget estimate or is moved by direction of a standing or select committee of the Senate.

It has been said that if a standing committee of the Senate moves to increase the estimates, that such motion, or such an amendment, is then subject to amendment. But as has been well pointed out here, under the provisions of section 3 of rule XVI, in the event the standing committee moves such an increase above the legislative authorization, no amendment shall be proposed to increase the amount stated in such amendment.

The language "no amendment proposing to increase the amount stated in such amendment" is taken directly from the body of the rules that have been compiled for the guidance of the Senate.

There is a substantial reason for this rule, Mr. President. I do not know its history or how it originated, but there is substantial reason for a rule which would prevent amendments from being offered from the floor of the Senate to increase the appropriations suggested by committees of the Senate that are already in excess of the authorizations of law.

So, Mr. President, I hope that if the Senate proposes to be bound by the rules which have been adopted by this body, that the ruling of the Chair will be sustained. Otherwise, as has been well stated by the Senator from Missouri, the Senate should in all frankness repeal all its rules and not have them printed and consume time of the Senate in undertaking to follow them.

Now, Mr. President, I shall advert very briefly to the merits of the amendment proposed by the Senator from Wisconsin.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CONNALLY. I wish to say to the Senator from Georgia, and also to the Chair, that yesterday the Senator from Texas made an asseveration regarding rule XVI, but all

of rule XVI was not presented to the Senate either by the Chair, by Senators familiar with parliamentary rules, or by the parliamentary clerk. I desire to say that I find that my position is not tenable, because part of section 3, in referring to amendments proposed by the committee, uses this language:

And when actually proposed to the bill, no amendment proposing to increase the amount stated in such amendment shall be received.

That further language seems to place the amendment not in order. I want to say in justice to myself that I cannot vote to overrule the Chair when I see that the rule is so plain.

Mr. RUSSELL. The Senator from Texas is always candid and frank, and by the statement he has just made he measures up to the high opinion all of us have always entertained for the Senator, that he is one Member of this body who is big enough to admit it when he is in error.

Mr. CONNALLY. May I add further that I thank the Senator for his very generous and liberal compliment. I think the decision of the Chair is like some decisions of courts. They probably make a correct decision, but for the wrong reason. They do not find the real authority for the decision.

Mr. RUSSELL. Mr. President, I wish to discuss the merits of this amendment only briefly. No Member of this body who has investigated the work that has been done by the Federal Surplus Commodities Corporation, or who is familiar with the fine possibilities of the so-called stamp plan—no Senator who has a clear understanding of those matters fails to approve adequate appropriations to carry on this plan. The Committee on Appropriations in considering the bill was confronted with reductions which had been made all down the line through practically every one of the hundreds of items contained in the measure. In attempting to restore these appropriations we undertook to do so on a reasonable basis, not restoring all the appropriations to the amount contained in the bill for the current year but making reductions throughout the bill which would enable us to bring this bill back to the Senate with reductions in line with the economy move, and yet reductions not so drastic as to imperil or to paralyze any of the activities of the Department of Agriculture.

Mr. President, I wish to point out that, for instance, if the decision of the Chair shall be overruled, and if the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE] shall prevail, this item will be the only item in this bill that will be materially increased above the amount of the appropriations for the year 1940. The parity appropriations have been reduced by \$13,000,000. Items throughout this bill have been reduced in similar amounts. I do not think that there is any increase in this bill in all its 104 pages amounting to more than \$100,000 over the appropriations for the fiscal year 1940; and yet, if the amendment offered by the Senator from Wisconsin should prevail, it would mean that the Federal Surplus Commodities Corporation would have available for expenditure in the year 1941 in excess of \$10,000,000 more than was available for that Corporation for expenditure in the year 1940.

I submit that we cannot say to the farmers who receive parity: "By our action you have been compelled to take a reduction in your parity payments, but we have found money here to increase other items."

We cannot say to those who are interested in the efficient operation of the Food and Drug Administration, under the all-embracing legislation enacted by this body several years ago, "You are compelled to take a reduction in your Budget estimates for the operation of the Food and Drugs Bureau, but we have been able to find increased appropriations to carry on the work of the Federal Surplus Commodities Corporation." Throughout the bill the same argument might be applied.

Mr. President, I wish to say that due to the fact that the war in Europe has closed France and England to the importation of many agricultural commodities which they had heretofore purchased in this country, the stamp plan and the domestic distribution of surplus commodities will have much



more money next year than they have during the current year, even under the terms of the Senate amendment.

If Senators will refer to page 46 of the Senate committee hearings on this measure, they will see a break-down of how the Corporation intends to divide these funds. They will find that all the reductions under the Budget estimates would apply to the export subsidies which they anticipated would be greatly decreased next year. The amount of money which will be available for the stamp plan for the next year will be \$133,000,000 as compared with \$119,000,000 for the current year. By the 1st of July this system of distribution of surpluses will have been instituted in over 100 cities in the United States.

Under the committee appropriation it can be expanded to some 30 or 40 cities of like size during the coming year.

There are over 700 applications that have been filed for this plan by that number of municipalities in the United States. The evidence submitted to the committee shows that it would require an appropriation of \$360,000,000 to put this plan in operation all over the United States, and if we are not going to undertake to give this service to every community in the Nation, I submit that there can be no justification for the increase of thirty or forty million dollars proposed by the Senator from Wisconsin, which would make this item of the appropriation out of line with the appropriations that have been made for the other activities of the Department of Agriculture.

Mr. President, I hope the decision of the Chair will be sustained.

On the pending question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RUSSELL. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. Those who wish to vote to sustain the decision of the Chair will vote "yea"?

The PRESIDING OFFICER. That is correct.

Mr. RUSSELL. Those who wish to overrule the decision of the Chair will vote "nay"?

The PRESIDING OFFICER. That is correct.

The legislative clerk called the roll.

Mr. TAFT. I have a general pair with the Senator from Montana [Mr. WHEELER]. If I were at liberty to vote, I should vote "yea"; but not being advised how the Senator from Montana would vote, I withhold my vote.

Mr. THOMAS of Utah. On this question I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I do not know how he would vote. I therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SHIPSTEAD. I have a pair with the senior Senator from Virginia. I am informed that if the senior Senator from Virginia were present, he would vote "yea." If permitted to vote, I should vote "nay."

Mr. MINTON. I announce that the Senator from Utah [Mr. KING] and the Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

The Senator from Virginia [Mr. GLASS], the Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. SMITH], and the Senator from North Carolina [Mr. REYNOLDS] are unavoidably detained. I am advised that if present and voting, these Senators would vote "yea."

The Senator from Florida [Mr. ANDREWS], the Senator from Arizona [Mr. ASHURST], the Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Nebraska [Mr. BURKE], the Senator from Maryland [Mr. RADCLIFFE], the Senator from New Jersey [Mr. SMATHERS], the Senator from Missouri [Mr. TRUMAN], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

The result was announced—yeas 59, nays 18, as follows:

#### YEAS—59

Adams	Brown	Caraway	Connally
Austin	Bulow	Chandler	Danaher
Bankhead	Byrd	Chavez	Donahey
Barbour	Byrnes	Clark, Idaho	Ellender
Barkley	Capper	Clark, Mo.	Gerry

LXXXVI—202

Gibson	Holman	McNary	Slattery
Gillette	Holt	Maloney	Stewart
Green	Hughes	Miller	Thomas, Okla.
Guffey	Johnson, Calif.	O'Mahoney	Tobey
Hale	Johnson, Colo.	Pepper	Townsend
Harrison	Lee	Pittman	Vandenberg
Hatch	Lodge	Reed	Van Nuys
Hayden	Lucas	Russell	Walsh
Herring	McCarran	Schwartz	White
Hill	McKellar	Schwellenbach	

#### NAYS—18

Bone	La Follette	Neely	Tydings
Davis	Lundeen	Norris	Wagner
Downey	Mead	Nye	Wiley
Frazier	Minton	Sheppard	
Gurney	Murray	Thomas, Idaho	

#### NOT VOTING—19

Burke	Radcliffe	Reynolds	Taft
Andrews	George	Shipstead	Thomas, Utah
Ashurst	Glass	Smathers	Truman
Bailey	King	Smith	Wheeler
Bilbo	Bridges	Overton	

So the decision of the Chair was sustained.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 83.

Mr. DANAHER. Mr. President, I have an amendment which I shall read and then send to the desk and formally offer.

On page 83, line 12, after the figures "\$85,000,000", I propose to insert:

Not less than 85 percent of which shall be devoted to a stamp plan for the removal of surplus agricultural commodities.

Mr. President, the way the language of the committee amendment has been drawn there is no requirement in law or in terms that any part of the fund shall be used necessarily for the stamp plan. As one reads the hearings and the testimony of Mr. Perkins, one can see that while at the present time provisions have been made for the expenditure of \$72,000,000 for stamp-plan cities, it is his hope that he can expand that program, and he contemplates the addition of a sufficient number of cities to make a total of 100 for the coming year.

However, Mr. President, while he has set aside \$80,000,000 for the removal of agricultural surpluses, so far as the future is predictable there is nothing in the situation to indicate that the farm situation will be better. Quite the contrary, it might well be worse. Consequently, export subsidies and removal of agricultural surpluses for domestic use other than through the stamp plan may very easily deplete the available sum, which those of us who have in mind the stamp plan as represented by the committee amendment would most certainly deplore. To date the results under the stamp plan have proved generally satisfactory. I think the hearings and the testimony of Mr. Perkins conclusively demonstrate that the plan is substantially successful.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. LODGE. How would the Senator's amendment affect those who live in cities in which the stamp plan is not in effect, and in which grave practical difficulties exist in the way of putting it into effect?

Mr. DANAHER. Not only would the amendment not hinder, but it would actually tend to promote an expansion of the stamp plan and, consequently, an extension thereof to the cities which do not now have it.

Mr. LODGE. I do not think I made myself clear. I am talking about cities in which there is no immediate likelihood of the stamp plan being put into effect, but in which commodities are being distributed.

Mr. DANAHER. Commodities could still be distributed, for the simple reason that \$101,000,000 of segregated revenues under section 32 of the Agricultural Adjustment Act are now set aside, in addition to which the Administrator has set aside \$80,000,000 for that very purpose, according to his testimony at the hearings. Consequently, agricultural surpluses could be distributed out of that sum, as in the past.

Mr. LODGE. In other words, the Senator's allotment of funds to the stamp plan is not proposed to be made at the expense of those living in cities which have no stamp plan?

Mr. DANAHER. Precisely not. Quite the contrary. The reason why I took 85 percent is that, since last year, \$72,000,000 was spent under the stamp plan. I simply took \$72,000,000 in its relationship to \$85,000,000, represented by the committee amendment. The percentage is roughly 85 percent. Therefore, I say that not less than a fixed minimum of 85 percent shall be allocable for the continuation of the stamp plan.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield to my colleague.

Mr. MALONEY. Mr. President, I encouraged my colleague in the amendment which he offered. The question raised by the junior Senator from Massachusetts [Mr. LODGE] excites some fear on my part, and I should like to have some reassurance. I respectfully ask my colleague whether or not stating his amendment in another way, and providing that not more than 15 percent of the moneys be used for export bounty payments, would better protect the kind of communities to which the Senator from Massachusetts refers?

Mr. DANAHER. It may be that the choice of verbiage should determine our attitude. I am not certain. However, I do not want to be confronted with a point of order, such as was raised against the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE]. If we could have ascertained beforehand that out of the appropriation comprehended by the committee amendment we could be certain that the stamp plan would be continued—and, I hope, expanded—I should have voted to sustain the position of the Senator from Wisconsin. This morning I asked him with reference to it; but, as he himself has said, he did not want to assume responsibility for saying that a given amount should be allocable to the stamp plan. I do. He said that if I wanted to accept the responsibility I could do so by an amendment. I do, and that is why I offer the amendment providing, not that there shall be a limitation on the maximum, but that there shall be a minimum that shall be expended for the stamp plan.

Mr. MALONEY. Mr. President, I think my colleague is entirely correct. I am certain he is right in what he is endeavoring to do. However, the question raised by the Senator from Massachusetts gives me some reason for doubt. Will the Senator try to explain to me how the community without a stamp plan would be protected insofar as surplus commodities are concerned?

Mr. DANAHER. Of course, my colleague will understand that personally I have had no administrative experience with that sort of thing, and must therefore depend upon the hearings and the evidence for my information. The hearings indicate, according to Mr. Perkins, that \$80,000,000 has been set aside this year. I read from page 359. Mr. Perkins said:

Mr. PERKINS. This year we set aside \$80,000,000; my estimate is that with the change in the wheat situation, we will probably not spend over sixty or sixty-five million on straight export subsidy programs this fiscal year.

Senator McNARY. Then you are buying surpluses in various regions of the country?

Mr. PERKINS. We don't have any notion of abandoning that.

So, Mr. President, since Mr. Perkins himself says he has no notion of abandoning the program, I accept his statement.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. LODGE. In terms of population, what percentage of cities in the United States now have the stamp plan?

Mr. DANAHER. I have no idea of the percentage of cities in the United States.

Mr. LODGE. The Senator mentioned 85 percent. That leaves only 15 percent for cities where there is no stamp plan; is not that correct?

Mr. DANAHER. No. Let me make myself clear to the Senator from Massachusetts. As Mr. Perkins testified, and as we all know, the plan was first commenced in a few cities in an experimental way. Finally it reached the point where he included 50 typical cities throughout the United States as the beneficiaries of the stamp plan. In the course of administration of the plan during the past year some \$72,000,000

was expended with great benefit. It is Mr. Perkins' plan this year to extend the program; and he says, in effect, that he hopes this year to add another 50 cities, bringing the total to 100.

Consequently, if he hopes to do it, and we do not make it mandatory at a time when we are considering adding \$85,000,000 to the bill, it seems to me that at the very least we should make absolutely certain that the cities which heretofore have been led to believe that they can count on the program, and which are now the beneficiaries of it, will continue to receive the benefit of it. Therefore the \$72,000,000, comprising, as it does, 85 percent of \$85,000,000, necessarily will have that minimum effect.

Mr. LODGE. Is not the Senator giving Mr. Perkins much more than he needs for that purpose?

Mr. DANAHER. I am giving him only what he spent for that number of cities in the past year.

Mr. LODGE. Was \$72,000,000 the amount spent on the stamp plan last year?

Mr. DANAHER. Yes. That is what the hearings indicate.

Mr. LODGE. How does that relate to the question of surplus commodities?

Mr. DANAHER. Of course, the Senator will remember that under section 32 of the Agricultural Adjustment Act, \$101,000,000 has already been set aside from customs receipts. If we now add \$83,000,000 to that, we shall have a total of \$184,000,000 for the purposes contemplated by section 32, as amended.

Mr. LODGE. Is it the Senator's understanding that this is in addition to the amount from the customs receipts?

Mr. DANAHER. Definitely.

Mr. LODGE. I still should like to be enlightened as to this matter: If \$85,000,000 is available for the distribution of surplus commodities, and about 30 percent of the total is allocated to the stamp-plan cities, that leaves 70 percent for all other purposes?

Mr. DANAHER. For all other purposes contemplated by section 32. That includes export subsidies on cotton, if you choose, and on four other agricultural commodities.

Mr. LODGE. And the Senator's figure is based on what Mr. Perkins developed in the testimony?

Mr. DANAHER. That is correct. I take the very minimum that he gave as the maximum for this year.

Mr. President, I said I would yield to the Senator from Georgia. Has he a question?

Mr. RUSSELL. Mr. President, I will make a brief statement in my own time.

Mr. DANAHER. Then, Mr. President, I will briefly conclude that I am thoroughly convinced that the stamp plan ought to be extended rather than minimized. I am perfectly willing to vote for additional assistance to make it absolutely certain that the comprehensive program of the Administrator, Mr. Perkins, shall be put into effect this year. I certainly do not want to see it curtailed, however, at the expense of the cities whose only possible advantage out of the \$85,000,000 is going to come from the stamp plan; and at the same time, as the Senator from Wisconsin pointed out, we do assist the farmer whose agricultural surplus is moved in general commerce; we do assist the businessman who participates on a stamp basis just as much as on a dollar basis in every sale that is made.

I therefore urge the adoption of the amendment.

Mr. RUSSELL. Mr. President, I cannot conceive of anything that would be more disruptive of the program of the Federal Surplus Commodities Corporation than for the Senate to adopt the amendment offered by the Senator from Connecticut. The Senator proposes to earmark 85 percent of the appropriation, as I understand, for the so-called stamp plan in the distribution of surplus commodities.

Mr. President, it so happens that there are about 100 cities in the United States that have the stamp plan, or will have by the 1st of July; and that program will be extended to from 30 to 50 additional cities—of course, depending upon their size—during the coming year. That means that by the



first of the fiscal year 1940, unless other appropriations be made for this purpose, 150 cities in the United States will have the stamp plan. There are over 3,000 counties in the United States and hundreds of cities in the United States that are receiving surplus commodities which are purchased in bulk by the Federal Surplus Commodities Corporation, to be distributed to those on the relief rolls. If this amendment be adopted, it will mean that the 150 cities will have the stamp plan, but that all the money will have to be devoted to the stamp plan, and that the poorer people out in the smaller communities will have taken away from them even their present little hand-out of grapefruit, or raisins, or dates, or potatoes, or butter, which in many cases is the only direct relief those communities have received.

We have here a program which is going into all the counties of the United States, into every city of the United States where there are those on the relief rolls; and the Senator from Connecticut proposes that we should now wipe out all of that, and draw in 85 percent of all the appropriation, and devote it to the large cities where the stamp plan is in effect. This will help the stamp plan, to be sure, but it will absolutely be disruptive of the only relief that many people in the poorer communities have.

I hope the Senate will reject the amendment.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Connecticut.

Mr. DANAHER. Will the Senator assist me? I know we all want to clarify this matter. Am I not correct in understanding that the stamp plan during the past year spent \$72,000,000?

Mr. RUSSELL. I think it spent more than that.

Mr. DANAHER. All right. That is the minimum, then, anyway.

Mr. RUSSELL. I might say that if the Senator is afraid of anybody coming in and disturbing the stamp plan he is just conjuring up ghosts to shy from. The committee wrote into this bill, as the Senator will see if he will read all the amendment from line 18 on down through and including line 25, at the request of the Corporation, a provision which lifted the 25 percent limitation on any one commodity or activity from its application to the stamp plan, so that the stamp plan could have more than 25 percent of the funds that were appropriated. The Department wants to go ahead with that; but why should we come in here now and seek to say that a certain amount shall be used for the benefit of certain favored cities, which have already been favored by having the stamp plan, when there are 700 other applicants at the office of the Federal Surplus Commodities Corporation clamoring for the stamp plan, when we know we cannot give it to them?

Mr. DANAHER. Mr. President, will the Senator further yield?

Mr. RUSSELL. I yield.

Mr. DANAHER. The Senator understands, of course, that the amendment I have offered does not in any way refer to the funds already set aside under section 32. The Senator knows that?

Mr. RUSSELL. No; I did not know that.

Mr. DANAHER. It applies only to the \$85,000,000 mentioned here.

Mr. RUSSELL. Why is the Senator offering it, then?

Mr. DANAHER. For the simple reason that I want to make it certain that in the very cities the Senator talks about the stamp plan will be continued this year. Without the amendment, as the Administrator pointed out in his testimony, in the exercise of his discretion he could cut one city off, and add one of the other 700 cities that the Senator talks about.

Mr. RUSSELL. Mr. President, he could do that under the Senator's amendment, if he wanted to cut off the stamp plan in one city and reestablish it in another. It would not make any difference so long as he maintained the 85-percent ratio. So that argument has absolutely no potency. He

could swap from city to city within the 85-percent limitation if he saw fit to do so.

Here we have a situation in which the Department say they wish to expand the stamp plan. We have 700 cities all interested in the stamp plan, with the Senators and the Representatives from the States and the districts in which these cities are located urging that the stamp plan be put into effect in their cities. We have the Department asking the committee to give them legislation which will make more money available so that the stamp plan may be expanded. The committee brings in a provision which removes any doubt as to whether or not the 25-percent limitation applies to the stamp plan. Everybody is saying that the stamp plan will be expanded; but the Senator from Connecticut sees in that situation the possibility of someone, in the stillness of the night, slipping in and wiping out, at one fell swoop, the entire stamp plan.

If the amendment applies to the entire amount the Federal Surplus Commodities Corporation will have available for expenditure, I think it will destroy the relief aspect of the program, and result in thousands of people in the poorer communities of the country going hungry, because they cannot get any direct relief. If it applies only to the \$85,000,000, it is a futile and useless gesture with which the Senate certainly should not concern itself.

Mr. DANAHER. Mr. President, will the Senator assist me further?

Mr. RUSSELL. If I may.

Mr. DANAHER. As the Senator has already stated, during the past year the stamp plan spent at least \$72,000,000. Does not the Senator think we ought to guarantee a minimum amount equal to \$72,000,000 for this year?

Mr. RUSSELL. No; I do not, because I know that more than that amount is going to be expended, and then this money is used in other ways than the stamp plan. It so happens that we have gone into hundreds of communities and are furnishing school lunches to the underprivileged children who are not able to get lunches anywhere else. That has become quite a large part of the activities of the Federal Surplus Commodities Corporation—disposing of these surpluses by distributing them to the underprivileged children in lunches. Quite a great amount of money has been expended on that; I think something like \$2,000,000, and the Department intends to expand that service considerably to other communities of the country. If, however, the Senator's limitation should be adopted, and should apply to the entire fund, it would mean that this free-lunch program for poor children could not be expanded into any more communities, because we should have to pour all of the money either into administrative expense or into the hungry maw of the expanding stamp plan.

Mr. McKELLAR. Mr. President—

Mr. RUSSELL. I yield to the Senator from Tennessee.

Mr. McKELLAR. It is admitted by all that the Department has made a wonderful success of this project. It has worked it out well. Under this authority it is using the stamp plan as it thinks best. That is one of the plans that has helped the work along. I am very much for the stamp plan. I think it has done probably better than any other; but, at the same time, why should the Senate undertake to limit this Department, which has done such a good work?

Mr. RUSSELL. Mr. President, I agree with the Senator, not only from that standpoint, but from the standpoint of permitting the program to operate in a free and unhampered manner. If this were a strictly relief program, there might be some reason for the Senate to say that so much should be used for the stamp plan, and so much should be used for school lunches, and so much should be used for the distribution of surplus commodities that have been acquired; but this is supposed to be fundamentally an agricultural program. Suppose we had a large accumulation of surplus, as happened in the case of butter and dairy products only a few years ago, and the Department stepped in and bought up

some fifteen or twenty million dollars' worth of dairy products and stored it for some time, until it could be distributed through the country to the recipients of direct relief in the several communities of the States. If the Senator's amendment should prevail, the Department could not bring a service like that to the dairy industry of the country, because they would have to approach the problem through the stamp plan in 100 or more cities where they would just be nibbling away at the surplus, and would not really accomplish anything.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DANAHER. Does the Senator remember that last year, in July, we took a million and a half dollars out of this fund, which is supposed to help agriculture, and used it to buy fish?

Mr. RUSSELL. I do.

Mr. DANAHER. The Senator certainly does not consider fish an agricultural product?

Mr. RUSSELL. I do not, and I voted against the provision. I think the Senator from Connecticut supported it, but I voted against it.

Mr. DANAHER. Does not the Senator understand that this year it is contemplated to add finished textile cotton goods?

Mr. RUSSELL. Mr. President, that is done under the existing appropriation, and it is going to be handled solely through the stamp plan. Not one dime's worth of textiles will be handled other than through the stamp plan.

Mr. DANAHER. Who decides that matter, please?

Mr. RUSSELL. It is decided because that is the only way in which it can be handled.

Mr. DANAHER. I say, Who decides it?

Mr. RUSSELL. The Federal Surplus Commodities Corporation.

Mr. DANAHER. Then I submit that the Congress ought to decide these things. I want to see that the stamp plan is kept at a minimum that will make it workable. There is not any limitation in my amendment, let me say to the Senator from Tennessee; quite the contrary. It is to guarantee the continued existence of the stamp plan.

Mr. RUSSELL. Mr. President, if the Senator thinks he can bind this Congress until adjournment by the adoption of this amendment in such a way that we cannot pass additional legislation to use any of this money for fish, I have no further statement to make. Every other Member of this body knows that whether we adopt this amendment or not, the Congress could subsequently pass a bill taking some of this money to buy fish, if the Congress saw fit to do it. At the last session of Congress I did not think we should purchase any fish with these funds, and I voted against it. As I recall, the Senator from Connecticut was one of those who voted to buy fish.

Mr. DANAHER. No, Mr. President; the Senator is incorrect.

Mr. RUSSELL. I may be in error as to that; but it was not at my behest or my doing that any of this money was used for fish, and I hope it will not happen again. But certainly the Senator cannot tie up the fish advocates by putting in this bill a limitation that Congress could repeal tomorrow.

I hope the amendment offered by the Senator from Connecticut will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER] to the amendment reported by the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 83. Without objection, the amendment is agreed to.

Mr. LA FOLLETTE subsequently said: Mr. President, I ask unanimous consent to reconsider the vote whereby the committee amendment on page 83, with regard to the distribution of surplus commodities, was adopted, in order that I may ask for a record vote upon it. I am making this request in order that this amendment may have a record vote, just as

the parity amendment has had, for the purpose of showing the attitude of the Senate with regard to it on a record vote.

Mr. RUSSELL. I have no objection. I suggest to the Senator from Wisconsin, however, that he include in his unanimous-consent request a provision that the yeas and nays be considered ordered, and that the Senate proceed to vote on the amendment without further debate.

Mr. LA FOLLETTE. Mr. President, I am perfectly willing to do that, and will so modify my request. My sole purpose is to obtain a record vote on the amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin, as modified? The Chair hears none. The clerk will call the roll.

Mr. RUSSELL. Mr. President, a parliamentary inquiry. This is a record vote on the so-called surplus commodities distribution amendment?

Mr. LA FOLLETTE. The committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 83. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TAFT (when his name was called). I am advised that the Senator from Montana [Mr. WHEELER], with whom I have a general pair, would, if present, vote as I intend to vote. I am therefore at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. TYDINGS. My colleague [Mr. RADCLIFFE] is detained from the Senate. He is unable to obtain a pair. If he were present he would vote "yea."

Mr. CLARK of Missouri. My colleague [Mr. TRUMAN] is unavoidably detained from the Senate on official business. If he were present he would vote "yea."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from New Jersey [Mr. SMATHERS] and will vote. I vote "yea."

Mr. MINTON. I announce that the Senator from Utah [Mr. KING] and the Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Nebraska [Mr. BURKE], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

The Senator from Virginia [Mr. GLASS], the Senator from Ohio [Mr. DONAHEY], and the Senator from South Carolina [Mr. SMITH] are unavoidably detained.

The Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. GREEN], the Senator from Delaware [Mr. HUGHES], the Senator from Illinois [Mr. LUCAS], and the Senator from New Jersey [Mr. SMATHERS] are detained in committee meetings.

I am advised that if present and voting the Senator from Louisiana, the Senator from Nebraska, the Senator from North Carolina, the Senator from Montana, the Senator from South Carolina, the Senator from Georgia, the Senator from Rhode Island, the Senator from Delaware, the Senator from Illinois, and the Senator from New Jersey would vote "yea."

The result was announced—yeas 79, nays none, as follows:

## YEAS—79

Adams	Danaher	La Follette	Schwartz
Ashurst	Davis	Lee	Schwellenbach
Austin	Downey	Lodge	Sheppard
Bailey	Ellender	Lundeen	Shipstead
Bankhead	Frazier	McCarran	Slattery
Barbour	Gerry	McKellar	Stewart
Barkley	Gibson	McNary	Taft
Bilbo	Gillette	Maloney	Thomas, Idaho
Bone	Guffey	Mead	Thomas, Okla.
Brown	Gurney	Miller	Thomas, Utah
Bulow	Hale	Minton	Tobey
Byrd	Harrison	Murray	Townsend
Byrnes	Hatch	Neely	Tydings
Capper	Hayden	Norris	Vandenberg
Caraway	Herring	Nye	Van Nuys
Chandler	Hill	O'Mahoney	Wagner
Chavez	Holman	Pepper	Walsh
Clark, Idaho	Holt	Pittman	White
Clark, Mo.	Johnson, Calif.	Reed	Wiley
Connally	Johnson, Colo.	Russell	



## NOT VOTING—17

Andrews	Glass	Lucas	Smathers
Bridges	Green	Overton	Smith
Burke	Hughes	Radcliffe	Truman
Donahay	King	Reynolds	Wheeler
George			

So the amendment of the committee was agreed to.

The PRESIDING OFFICER. The next amendment of the Committee on Appropriations will be stated.

The next amendment was, under the heading "Farm Tenant Act," on page 85, after line 7, to insert:

## FARM TENANCY

To enable the Secretary of Agriculture to carry into effect the provisions of title I of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (7 U. S. C. 1000-1006), as follows:

Salaries and expenses: For administrative expenses in connection with the making of loans under title I of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (7 U. S. C. 1000-1006), and the collection of moneys due the United States on account of loans heretofore made under the provisions of said act, including the employment of persons and means in the District of Columbia and elsewhere, exclusive of printing and binding as authorized by said act, \$2,500,000, together with the unexpended balance of such part of the appropriation made under said act for the fiscal year 1940 (53 Stat. 976) available for such administrative expenses.

The amendment was agreed to.

The next amendment was, on page 86, line 20, after the word "Act", to strike out "\$3,600,000" and insert "\$6,100,000", so as to read:

Total, Farm Tenant Act, \$6,100,000.

The amendment was agreed to.

The next amendment was, on page 86, after line 20, to insert:

## WATER FACILITIES, ARID AND SEMIARID AREAS

To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled "An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes", approved August 28, 1937 (16 U. S. C. 590r-590x), including the employment of persons and means in the District of Columbia and elsewhere; printing and binding; the purchase, exchange, operation, and maintenance of passenger-carrying vehicles; and rent in the District of Columbia and elsewhere, \$500,000, of which not to exceed \$25,000 may be expended for personal services in the District of Columbia: *Provided*, That not to exceed \$50,000 of this appropriation shall be available for expenditure for any one project designed in whole or in part to benefit lands by the irrigation thereof, and all project facilities and appurtenances which depend for their utility in whole or in part upon each other or upon any common facility shall be deemed one project, and the authority contained in said act shall not be deemed to authorize the construction of any project not in accord with this limitation.

The amendment was agreed to.

The next amendment was, under the heading "Cooperative farm forestry", on page 88, line 10, after the word "exceed", to strike out "\$400,000" and insert "\$477,898", so as to read:

To enable the Secretary of Agriculture to carry into effect the provisions of the Cooperative Farm Forestry Act approved May 18, 1937 (16 U. S. C. 568b) (not to exceed \$300,000), and the provisions of sections 4 (not to exceed \$100,000) and 5 (not to exceed \$77,898) of the act entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor", approved June 7, 1924 (16 U. S. C. 567-568), and acts supplementary thereto, including the employment of persons and means in the District of Columbia and elsewhere; printing and binding; not to exceed \$7,700 for the purchase of passenger-carrying vehicles; the purchase of reference books and technical journals; not to exceed \$30,000 for the construction or purchase of necessary buildings, and other improvements; in all, not to exceed \$477,898:

The amendment was agreed to.

The next amendment was, under the heading "Rural Electrification Administration", on page 89, line 15, after the word "Provided", to strike out "That no part of this appropriation shall be used to pay the salary of any person who received as many as three steps of administrative within-grade promotion in all positions occupied by such person during the fiscal year 1939, at a rate of pay in excess of the salary resulting from the first two steps of such promotion; but this proviso shall not preclude the payment of the minimum salary

of the grade to any person transferred, under standard regulations, to such grade: *Provided further*", so as to read:

To enable the Secretary of Agriculture to carry into effect the provisions of the Rural Electrification Act of 1936, approved May 20, 1936, as amended (7 U. S. C. 901-914), as follows:

Salaries and expenses: For administrative expenses and expenses of studies, investigations, publications, and reports, including the salary of the Administrator, Rural Electrification Administration, and other personal services in the District of Columbia and elsewhere; rentals, including buildings and parts of buildings and garages, in the District of Columbia and elsewhere; purchase and exchange of books, law books, books of reference, directories, and periodicals; not to exceed \$200 for newspapers and press clippings; financial and credit reports; and all other expenses necessary to administer said act, \$3,075,000, of which amount not to exceed \$1,350 shall be available for the purchase of motor-propelled passenger-carrying vehicles necessary in the conduct of work in the District of Columbia and elsewhere: *Provided*, That section 3709 of the Revised Statutes (41 U. S. C. 5) shall not be construed to apply to any purchase or service rendered for the Rural Electrification Administration when the aggregate amount involved does not exceed \$100: *Provided further*, That the Secretary of Agriculture may make allotments from this appropriation, subject to the approval of the Director of the Bureau of the Budget, to the offices and divisions of the office of the Secretary for the performance of departmental services for the Rural Electrification Administration.

The amendment was agreed to.

The next amendment was, on page 90, after line 7, to strike out:

Loans: For loans in accordance with sections 3, 4, and 5, and the purchase of property in accordance with section 7 of the Rural Electrification Act of May 20, 1936, as amended (7 U. S. C. 901-914), \$40,000,000.

Mr. DANAHER. Mr. President, I address myself particularly to the able Senator having the bill in charge. I notice from the purported action of the committee that the sum of \$40,000,000 has been stricken from the bill, notwithstanding the fact that when the R. E. A. program was laid out there was within contemplation an annual authorization and appropriation of \$40,000,000. I am informed indirectly that it is within the contemplation of the committee that R. E. A. will get these funds from the R. F. C. Is that correct?

Mr. RUSSELL. The Senator from Connecticut is correct. The President in his Budget message transmitting this item suggested that this program be financed by loans from the Reconstruction Finance Corporation, rather than by direct outlays from the Treasury. It violates no precedent. The original R. E. A. Act, as sponsored by the able Senator from Nebraska [Mr. NORRIS], provided that the original funds should come from the Reconstruction Finance Corporation and we are merely returning to the original program.

Mr. DANAHER. Mr. President, in view of the fact that the Senator has referred to the President's Budget message, I read from page 49 of the CONGRESSIONAL RECORD of January 4, 1940, this sentence:

On the basis of preliminary studies, I estimate that it will prove feasible to reduce the capital funds of some of these corporations by an aggregate figure of \$700,000,000, without in any way impeding their operations.

Mr. Jesse Jones testified before the Committee on Banking and Currency that he expected to return \$200,000,000 from R. F. C. funds toward the aggregate of \$700,000,000 therein referred to. Of that \$200,000,000 we already have set aside \$100,000,000 to the Export-Import Bank in the measure recently passed, and \$40,000,000 more is to go in this fashion and not through appropriations, and \$40,000,000 more are to go, I am informed, to the farm-tenant program.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DANAHER. I am glad to yield.

Mr. BARKLEY. I think the Senator from Connecticut misunderstood the testimony of Mr. Jones on that subject. It is true that he testified that of the \$700,000,000 contemplated to be returned to the Treasury out of the capital stock of these various corporations \$200,000,000 would be returned out of the capital stock of the Reconstruction Finance Corporation. At the same time he testified that that would have no effect whatever on the hundred million dollars by which we increased the capital stock of the Export-Import Bank,

because that is not taken from the capital stock of the Reconstruction Finance Corporation; it is obtained by the sale of the obligations of the Reconstruction Finance Corporation.

Mr. JONES stated that they could even return to the Treasury \$300,000,000 of the original \$500,000,000 capital without in any way impairing the ability of the Reconstruction Finance Corporation to finance its operations. The same is true of the \$40,000,000.

The Reconstruction Finance Corporation will not take the \$40,000,000 out of its capital stock; it will take it out of funds which it raises by the sale of its own obligations, which it has done frequently in obtaining the funds which it has loaned to various private institutions throughout the United States. So that the Senator need not worry that this \$40,000,000, or the \$200,000,000, or whatever is used either to return to the Treasury or to finance these operations, will in any way cripple the Reconstruction Finance Corporation.

Mr. DANAHER. I thank the Senator from Kentucky, but I should like to know why we should not continue through our own channels to control the appropriations for the R. E. A., which is a very fine administration and which is achieving a worthy object. I certainly do not like to see it placed in such a position that any agency of the Government can say that a particular extension is not to be made because it is not a worth-while one, or something of that sort. Why can we not appropriate for it?

Mr. BARKLEY. Mr. President, if the Senator will yield, these funds which are allocated to R. E. A. are loans; they are not grants. If the appropriation comes out of the Treasury, of course, it comes out of money which is put there through taxation. If it is furnished by the R. F. C. through the sale of its own obligations, it is only a method by which the public itself invests in the lending of the money to the R. E. A., and therefore it does not in any way impinge upon the money in the Treasury which is raised by taxation. The object is to provide money to extend rural electrification, for which I have always fought, and it will not in any way interfere with that. It is merely a means by which the public will invest its own funds in R. E. A. developments.

Mr. DANAHER. We never did it before, did we; certainly not with the R. E. A.?

Mr. RUSSELL. Oh, yes.

Mr. BARKLEY. At the beginning all the money furnished to the R. E. A. was furnished by the R. F. C. It was only 3 years ago when we developed a 10-year program for appropriations at the rate of \$40,000,000 a year—

Mr. AUSTIN. Mr. President, may we have order?

The PRESIDING OFFICER. The point of order made by the Senator from Vermont is well taken. The Senate will please be in order.

Mr. BARKLEY. It was only when we adopted the 10-year program for appropriations at the rate of \$40,000,000 a year that we authorized an appropriation out of the Treasury of that amount for this purpose, and for the last 3 years it has been appropriated directly out of the Treasury. This proposal takes us back to the origin of the R. E. A., when the R. F. C. furnished the money with which to develop these rural-electrification projects.

Mr. DANAHER. Will the Senator enlighten me just one step further? Is it not now under the law in the power of the R. F. C. to say whether it will or will not make these loans to the R. E. A.?

Mr. BARKLEY. Theoretically, I suppose it might be said that it is, although there has never been an instance in which the R. F. C. declined or hesitated to make such a loan.

Mr. NORRIS. Mr. President, may I interrupt the Senator from Connecticut?

Mr. DANAHER. I welcome any help from the Senator from Nebraska.

Mr. NORRIS. I should like to have the attention of the Senator from Georgia. If the pending amendment of the committee shall be agreed to, I may say to the Senator from Connecticut that, as I understand, another amendment will be offered by the Senator from Georgia which will perfect

the proposal which has been discussed, and provide for obtaining this money. It will provide not only that the R. F. C. may lend the money, as I understand the amendment—it was submitted to me, and I am stating it from memory only—but they would be directed to lend the money.

Mr. DANAHER. Mr. President, will the Senator permit me to ask him a question?

Mr. NORRIS. Certainly.

Mr. DANAHER. The Senator knows that the R. E. A. at this time must get new power before it can borrow this money?

Mr. NORRIS. I do not know as to that.

Mr. DANAHER. An effort was made in the House of Representatives, and the RECORD indicates that the amendment went out on a point of order in the House when an effort was made to qualify R. E. A. to borrow this money. Am I correct in that, I ask the Senator?

Mr. RUSSELL. There was so much disorder that I could not hear all that was said, but if I understood the Senator's question it was as to whether or not the House committee had proposed to follow the President's Budget and have the funds come from the Reconstruction Finance Corporation.

Mr. DANAHER. No. On a point of order in the House, did not the language authorizing the R. E. A. to borrow money go out of the bill?

Mr. RUSSELL. It did. It was very clearly legislation. The committee of the House, as I understand, reported it unanimously, but there is no way in the House to avoid points of order being made from the floor.

In the effort that was being made by some of those opposing the bill and opposing the agricultural appropriations to make the totals of the bill appear larger than they really were, one of the Members of the House made the point of order, which, under the rules, he was entitled to make, against the legislative provisions and thereby struck out the authority to borrow from the R. F. C., and made it appear that the increase in the appropriations in the bill amounted to \$40,000,000.

The Senate committee is undertaking to follow a precedent that was fixed in an act of 1936, in which the R. E. A. was directed to borrow from the R. F. C., and which was suggested in the present budget this year. Mr. President, I might say that these R. E. A. loans are good loans, and in most instances they will be fully repaid 100 percent, and there is no more reason why the R. E. A. should not come to the R. F. C. for money than that the railroads and big banks and commercial interests should come to the R. F. C. for funds.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAFT. I should like to ask the Senator from Georgia whether he has a statement of a single rural cooperative which shows that it has, in the past year, earned the interest and retirement charges on its loans?

Mr. RUSSELL. No, Mr. President, I do not have a statement that they did or that they did not.

Mr. TAFT. I asked for such a statement last year from the Work Projects Administration. They promised to furnish it, but they never furnished it. So far as I know there is not a single R. E. A. project which, today, is earning its expenses and the interest on its loans. They have kept up with the repayments, because the repayments are made out of the loans they made to the various cooperatives. I think it is an excellent thing, but I think it is an appropriation. I doubt very much if we shall ever get back more than one-half of what we actually advance to these R. E. A. projects. In other words, it is a spending project and not a lending project. In my opinion it ought to be treated as such, and it ought to be carried as an appropriation in this bill.

If the Senator from Georgia can produce the financial statement of a single rural cooperative showing that it has earned the interest on its indebtedness, I think it ought to be inserted in the RECORD.

Mr. RUSSELL. Mr. President, I should like to ask the Senator from Ohio if he can produce a single record at this



moment showing that any bank or trust company or railroad has ever repaid \$1 of its obligations to the R. F. C.

Mr. TAFT. Yes, Mr. President; I happen to know one in my own State; the Cincinnati Union Terminal Co. repaid every cent of a loan made to it by the R. F. C.

Mr. RUSSELL. Where is the Senator's record?

Mr. TAFT. I will put it in the RECORD.

Mr. RUSSELL. The Senator asked me for records pertaining to loans made to R. E. A. projects. Of course, I do not carry such records with me. I have been burdened down like a pack mule for the last several days with information relating to the agricultural appropriation bill. Certainly of all unreasonable requests made on the floor of this body is the request of the Senator from Ohio for original records of repayment of individual loans made by rural cooperatives.

Mr. TAFT. No, Mr. President—

Mr. RUSSELL. Let me complete my statement. It happened that the Farm Security Administration had made thousands of loans to farmers to enable them to make crops. The Farm Credit Administration has made millions of dollars of loans to farmers to enable them to save their farms. Certainly the Senator from Georgia could not be expected to carry around the records of all the loans made to the various farm cooperatives and the collections thereon.

Mr. TAFT. No; but I think the Senator is proposing a change in policy—that it be made on a lending basis.

Mr. RUSSELL. No. I read from the original act creating the Rural Electrification Administration. It is section 903 of the Code of Laws of the United States and reads as follows:

The Reconstruction Finance Corporation is authorized and directed to make loans to the Administrator—

That is the Administrator of the Rural Electrification Administration—

upon his request approved by the President, not exceeding in aggregate amount \$50,000,000 for the fiscal year ending June 30, 1937, and \$100,000,000 for the fiscal year ending June 30, 1939, with interest at 3 percent per annum upon the security of the obligations of borrowers from the Administrator appointed pursuant to the provisions of this chapter or from the Administrator of the Rural Electrification Administration established by Executive Order No. 7037: *Provided*, That no such loan shall be in an amount exceeding 85 percent of the principal amount outstanding of the obligations constituting the security therefor; and *Provided further*, That such obligations incurred for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines, or systems shall be fully amortized over a period not to exceed 25 years, and that the maturity of such obligations incurred for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment shall not exceed two-thirds of the assured life thereof and not more than 5 years. The Administrator is hereby authorized to make all such endorsements, to execute all such instruments and to do all such acts and things as shall be necessary to effect the valid transfer and assignment to the Reconstruction Finance Corporation of all such obligations.

Now there is a case where back in 1936 the Reconstruction Finance Corporation was directed to make these loans, and the amendment which I shall propose, and which has been printed, and which has been on the clerk's desk for more than 2 weeks, makes a specific reference to the provisions of this section, and provides that these loans shall be made in the same manner as they were under the provisions of this section.

So the Senator from Ohio was wholly in error.

Mr. TAFT. Mr. President, since the passage of that law another law has been passed providing for authorizing the annual appropriation of \$40,000,000, and that procedure has been followed for the last 3 years, and this year we are proposing to change that procedure. The Senator cannot deny that that is the actual condition today.

Mr. RUSSELL. I was not undertaking to change it. I denied the Senator's original statement that it never had been done this way, and the Senator now makes another statement. I proved that the original statement was unfounded, because it had been done that way through loans.

Mr. TAFT. Mr. President, I did not say that. I said you are proposing a change of policy, and it is a change of policy over what we did last year and the year before that and the year before that.

Mr. RUSSELL. It is not. If the Senator had listened to the reading of the law, he would have seen that it appears that the \$50,000,000 loans were for the fiscal year ending June 1937, and \$100,000,000 for the fiscal year ending June 30, 1939, which was last year. Yet the Senator said there was a change last year and the year before that and the year before that. We are merely returning to the policy that was instituted in 1935, and from which we should never have departed to make these loans by the Reconstruction Finance Corporation just as loans were made by the Reconstruction Finance Corporation to the railroads and big financial concerns.

Mr. TAFT. We are returning to the policy; therefore it is a change of policy we are proposing. I say that change of policy should be supported by some evidence—

Mr. RUSSELL. If the Senator desires to split hairs in regard to the matter—

Mr. TAFT. That the loans purporting to be made are really good loans. I have been trying for over a year to get a statement from the R. E. A. showing the actual operating expenses and income of the various rural cooperatives. There may be some that make money. I do not know. I do know that the representatives and the counsel of the R. E. A. testified before the Ohio Tax Commission that they had not made their interest, and that they would not for many years to come. That is in last year's CONGRESSIONAL RECORD. That is one I happen to know about. It seems to me that before such change of policy is made we ought to know that such loans are really good loans, and have the figures to support that thesis.

The fact that some of them have been paid back, which was referred to yesterday, it seems to me, makes no difference. I regard the R. E. A. to be just like the R. F. D. Just as we gradually extend rural free delivery to farmers, I think we are justified in extending rural free electric service, but we ought to recognize that it is a spending policy and not a lending policy.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. If the Senator contends, as he did a moment ago, that no more than one-half of the loans made to R. E. A. cooperatives will ever be paid back, what difference does it make whether the loan is made by the R. F. C. and is not repaid to it, or whether it is made out of the Treasury and is not repaid to the Treasury? What is the difference in principle?

Mr. TAFT. The difference in principle is that if the Senator's principles are accepted, then the Budget is a fraud.

Mr. BARKLEY. I do not accept it. I say if—

Mr. TAFT. In that case the Budget is a fraud, because the expenditures listed in the Budget are not the real expenditures. The expenditures are much greater than they were before.

Mr. O'MAHONEY. Mr. President, I desire to call attention of Senators to the rule providing that they should address the Chair before interrupting one another. The procedure now being followed certainly adds to the confusion of the Chamber, and it is quite impossible for those who are trying to listen to understand the point of the debate.

Mr. BARKLEY. If the criticism is aimed at me, I will say that I thought the Senator from Ohio had the floor, and that I addressed the Chair and asked if he would yield.

Mr. RUSSELL. Mr. President, I thought I had the floor. [Laughter.] The Senator from Ohio rose to ask me what I knew about the records, or if I could produce any records in respect to repayments.

Mr. TAFT. Perhaps the Chair will tell us who has the floor.

THE PRESIDING OFFICER. The Senator from Connecticut [Mr. DANAHY] had the floor, and during the colloquy between the Senator from Ohio and the Senator from Georgia the Senator from Connecticut sat down. So the only thing the Chair could do was to recognize the Senator from Ohio, who was then on his feet, and he addressed a question to the Senator from Georgia.

Mr. RUSSELL. I do not desire to contribute to this legalistic and hair-splitting discussion—

Mr. TAFT. Mr. President, I now announce that I desire to yield the floor, if I may.

Mr. RUSSELL. I want a vote on this bill, and I wish to get away from these legalistic discussions.

The PRESIDING OFFICER. Let the Chair state the parliamentary situation. The question is on the committee amendment to strike out lines 8 to 11 on page 90.

Mr. NORRIS. Mr. President, I understand that when this amendment is agreed to, if it is, and I presume it will be, the Senator from Georgia will then offer an amendment to carry out what must be carried out if we do not appropriate the money to carry on the R. E. A. And if that amendment is not agreed to, then it is the intention of the Senator from Georgia to move immediately a reconsideration of the vote by which this committee amendment is agreed to, and then ask the Senate to reject it. Is that correct?

Mr. RUSSELL. I am not sure that I understood all the Senator's statement. Under the instructions of the Committee on Appropriations, I propose when the committee amendments shall have been concluded in the main body of the bill, to offer this amendment, which has been printed for some days, and which is incorporated in the RECORD in a notice which I filed to suspend the rule, in case a point of order were made against the amendment.

If this amendment proposing that loans shall be made by the Reconstruction Finance Corporation shall be rejected by the Senate, I shall be glad to move a reconsideration of the action of the Senate in adopting the Senate amendment.

Mr. NORRIS. Has the Senator already given that notice, and is it printed under the rules?

Mr. RUSSELL. Yes.

Mr. NORRIS. So we would not have to adjourn over in order to take it up?

Mr. RUSSELL. No; notice was served 2 weeks ago, and it is on the desk at the present time.

Mr. NORRIS. What I am particularly interested in is that when this bill is finished we shall not find ourselves without any appropriation for the coming fiscal year to carry on the R. E. A. program. If the committee amendment is agreed to, then there is no appropriation in this bill except for administrative purposes only. The R. E. A. would have to stop progress during the coming year because of the want of appropriations. So we ought to have that understood. It seems to me that situation should be known by the Senate.

Mr. RUSSELL. The Senator is correct.

Mr. NORRIS. Mr. President, I take it from what the Senator from Ohio has said that he will make the point of

order. Then the Senator from Georgia will move to suspend the rule. If he does not obtain a two-thirds vote to suspend the rule, then his amendment must fail. If we go on debating the bill, it may be that the time for reconsideration of this particular amendment will have expired, and it will be too late to take any action on it.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. RUSSELL. I am just as much concerned as is the Senator from Nebraska or anyone else in the appropriation for the R. E. A. I certainly want nothing done to prevent this matter being considered fully and thoroughly on its merits, both as to the committee amendment to the House bill and the legislative amendment which I have been authorized to offer from the floor. In order that we may make progress, I ask unanimous consent that the Rural Electrification amendments be the last considered of all the committee amendments, in order that I may offer the legislative amendment as a substitute for the language in the bill. That will protect the rights of all those who are interested, either for or against the proposal, and will enable us to make some progress on other committee amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BYRNES. Referring to the statement of the Senator from Ohio as to delinquent payments, I call attention to the fact that the House hearings, on page 1126, show that there are only 10 projects which could technically be called delinquent in payments; and on page 1127 there is a statement showing the projects which not only are not delinquent, but have anticipated the payments of interest and principal due as of the date of the hearing. I should like to include as a part of my statement the list showing the projects which have anticipated the payments before the date they were due.

The PRESIDING OFFICER. Is there objection?

Mr. McKELLAR. Mr. President, just a moment before that is agreed to.

The PRESIDING OFFICER. The Senator from South Carolina asks unanimous consent that a certain statement be printed in the RECORD. Is there objection?

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement is as follows:

*Rural Electrification Administration projects which have made payments prior to due date*

	Amount of note	Current interest		Accumulated interest and principal		
		First payment due—	First payment made—	First payment due—	First payment made—	Prepaid to—
Illinois: 8028A1 Champaign	\$186,000	Sept. 15, 1940	Sept. 19, 1939	Sept. 15, 1940		
Indiana: 8092 Jackson	100,000	May 15, 1940	July 18, 1939	May 15, 1940	June 28, 1939	Mar. 15, 1941
Iowa:						
12 Iowa	37,000	Aug. 1, 1937	Aug. 1, 1937	June 1, 1938	May 27, 1938	Mar. 1, 1941
34 Jones	305,000	Dec. 1, 1939	Aug. 31, 1939	Dec. 1, 1939		
39 Benton	200,000	Aug. 1, 1939	Aug. 1, 1939	do	Aug. 21, 1939	Sept. 1, 1940
8039B Benton	100,000	June 15, 1940	Aug. 15, 1939	June 15, 1940	do	Feb. 15, 1941
Kentucky:						
21 Nelson	315,000	Dec. 15, 1939	July 21, 1939	Dec. 15, 1940	Oct. 6, 1939	June 15, 1941
8021B Nelson	97,000	May 1, 1940	July 10, 1939	May 1, 1940		
33 Daviess	100,000	Jan. 15, 1940	Mar. 22, 1939	Jan. 15, 1940	Sept. 14, 1939	July 15, 1942
8033BC Daviess	173,000	May 1, 1940	Sept. 14, 1939	May 1, 1940	do	Jan. 1, 1941
North Carolina:						
8014B1 Pitt	25,200	Oct. 15, 1940	Aug. 1, 1939	Oct. 15, 1940	June 20, 1939	Mar. 15, 1941
8029 P. I. & L.	42,000	Aug. 1, 1939	do	Aug. 1, 1939	Aug. 1, 1939	Feb. 19, 1941
Tennessee: 21 and 21B Franklin	379,500	July 1, 1939	July 1, 1939	Mar. 1, 1940	July 18, 1939	July 1, 1940

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. When the Senator from Ohio [Mr. TAFT] requested information from the Senator from Georgia [Mr. RUSSELL] as to the projects which were paid up and

those which were not, I went to the telephone and called Mr. Slattery, the Director of the Rural Electrification Administration, and he gave me substantially the same information as that given in the House hearings. Virtually all the projects are paid up. There are about 800 in all. The majority of them are paid up, and some of them are paid up in advance.



Mr. TAFT and Mr. RUSSELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield and, if so, to whom?

Mr. NORRIS. I yield first to the Senator from Ohio.

Mr. TAFT. Mr. President, the statement inserted in the RECORD by the Senator from South Carolina is exactly the same thing which was given us last year. It does not prove in any way that the projects have earned their interest. It simply proves that they have paid the first installment of interest, or perhaps the second installment of interest, which could have been paid—and, so far as I know, was paid—out of the loans made to them. Last year we requested an operating statement. I did not say that they have not paid the interest. I said that they have not earned the interest; or at least I see no evidence that they have earned the interest. We have yet to obtain a single statement from any rural cooperative showing that during the past year it has earned the interest which it is obliged to pay to the United States.

Mr. RUSSELL. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. RUSSELL. Mr. President, I wish to express my profound disappointment with my good friend from South Carolina [Mr. BYRNES], who has read from the House hearings information as to the repayments which have already been made; and with the Senator from Tennessee, who has stated merely what the man in charge of the agency has told him, without bringing in the canceled notes. This will not suffice to contradict the opinion of the Senator from Ohio. There is no way to convince the Senator from Ohio unless the Senator brings in the canceled notes. The printed record and the statement of the man in charge of the Rural Electrification Administration are the only things brought in, and they do not convince the Senator from Ohio.

Mr. McKELLAR. Mr. President, I make my apologies to the Senator from Georgia, but I asked Mr. Slattery to send that information to the Senate, and when it comes I shall put it in the RECORD so that the Senator from Ohio may read it.

Mr. RUSSELL. That will not suffice, Mr. President. The Senator from Tennessee must go down to the Rural Electrification Administration and obtain the notes, if they have them, from the 800 companies all over the country, and bring them in. Nothing less than that will satisfy the Senator from Ohio.

Mr. McKELLAR. Must I have an affidavit?

Mr. RUSSELL. Nothing less than that will satisfy the Senator from Ohio [Mr. TAFT], who has such detailed and intimate information as to the operations of the Rural Electrification Administration.

Mr. NORRIS. Mr. President, I am interested, as I think all Senators are, in the R. E. A. continuing with its work, which I think so far has been a wonderful success. I do not want any parliamentary situation to arise by which we may find, when we get through with the bill, that we have done nothing to continue the work of the R. E. A. during the next year. I think that the unanimous-consent agreement which the Senator from Georgia [Mr. RUSSELL] has obtained practically obviates that danger.

Mr. President, I think there are two sides to the question as to whether we ought to make direct appropriations or whether we ought to borrow the money from the Reconstruction Finance Corporation to continue the R. E. A. Personally, I have not much choice. However, I understand that the Departments, including the Agricultural Department, of which the R. E. A. is now a part, have all agreed upon the change which the committee has suggested. Personally, if I were compelled to choose between the two methods, I believe I should rather have a direct appropriation, but I am not objecting to the other method if those who are administering the act, and have to do with the bookkeeping, want to do it that way. It seems to me there will be no difference in the end. So, when the Senator offers his amendment to take the place of the language which the committee amendment seeks to strike out, we can fight out that question. I do not care

very much which way it goes. The Senator from Ohio [Mr. TAFT] can then oppose the amendment or make a point of order against it if he so desires—and I think it is subject to a point of order. We can then take up the question of the suspension of the rule, which will make a motion in order. If that fails, then we are to go back to this amendment, with the understanding that we are to reconsider it, and reject it upon reconsideration.

The PRESIDING OFFICER. The Chair wishes to make a suggestion to the Senator from Georgia. The amendment, in lines 8 to 11, on page 90, has been postponed for later consideration. The Chair calls attention to the fact that the next amendment, in lines 12 and 13, should be subject to the same unanimous-consent request.

Mr. RUSSELL. Mr. President, I so intended. If I did not do so, I ask unanimous consent that the amendments affecting the Rural Electrification Administration be passed over.

The PRESIDING OFFICER. Without objection, the request of the Senator from Georgia, that the committee amendment in lines 12 and 13 be likewise postponed for later consideration, is agreed to.

Mr. NORRIS. Mr. President, I cannot let this occasion pass without saying something about the financial consideration which has been given to the R. E. A. this afternoon. The Senator from Ohio says that not more than one-half the money loaned to the R. E. A. will ever be repaid, whether to the R. F. C. or to the Treasury, and that so far as he can ascertain none of the projects are now making money.

Of course, when he asks us to present definite evidence on a moment's notice, it cannot be done. I have tried to keep up with the question, and I have a general understanding. I have read many letters and reports from various local associations and cooperative institutions of farmers all over the United States engaged in supplying electricity to themselves and their members. I have received information with respect to many which appeared to me, so far as I was able to determine, to be in fine financial condition. They had paid every debt and met every obligation.

However, many of them do not meet all their obligations to begin with, and do not expect to. No private institution which ever went into the electric business ever intended to meet such obligations in the beginning, and very few of them ever did so. A period of growth is required. There is a time, running from 2 to 3, 4, or 5 years, in which a private company or a public company can be expected to lose money, when it is unable to meet its obligations and amortize its investments.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I shall be glad to yield in just a moment.

Also, as we all know, there are parts of the country in which agriculture has not been prosperous and where farmers are not making money. That situation is true of most parts of the country. Today millions of farmers in the new projects want to take the electricity, but are financially unable to do so. Others do take the electricity, but they take only a minor part of what they will take if they ever get on their feet. If the country fails, and if all our farmers go to the poorhouse, then this institution will fail financially. Otherwise I regard it as the safest investment ever made by public or private investors.

I now yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, I am not prepared to answer in detail as to the cooperatives in my State, but I will say to the Senator that because of the hydraulic development on the Colorado River in my State, under Government supervision, great numbers of rural electrical cooperative projects are being put into operation. My general information is that they are meeting their obligations, and that they are welcomed by the people generally as a great forward movement. I think it has been one of the most useful things we have done to take a little comfort and convenience into the rural sections at rates which the people can pay. In my State I believe that, on the whole, these concerns are in sound condition, and that the Government will not lose money by reason of its

investment. I wish to congratulate the Senator from Nebraska on his activity and the great labor he has expended in this field.

Mr. NORRIS. I thank the Senator from Texas for his contribution.

I have received many letters and reports from the State of Texas, where farmers' cooperatives have been organized for the purpose of distributing electricity to their members.

There is another reason why we have cause to expect and believe that within the next few years there will be greater successes on the part of the cooperative farmer organizations distributing electricity. Many of these organizations are now paying an exorbitant price at wholesale for electricity because they are not always able to buy it from public corporations. They are still subject to the exactions made by private corporations. It is true that many private corporations are much better than they formerly were, and in many cases the service is fine and the rates they are charging are reasonable. As a matter of fact, however, every Senator knows, or would know if he studied the question at all, that for the past 10 or 15 or 20 years the farmers of the country on bended knees have been going to the private owners of electric energy, begging for an opportunity to use electricity in their homes; and they have been met with charges that are insurmountable, that no ordinary farmer could pay, that no one could pay who had not a salary or income outside of his farm itself. To install the electric wires they were usually asked prices that paid for the entire installation, and then the other fellow owned it after that; and they were charged rates that were exorbitant and unreasonable.

To a great extent that has now disappeared. The Government has come in, through this act, and has started a movement in favor of electrifying the farms of America; and that has had a tendency to open the eyes of private investors who heretofore had no interest in trying to furnish electricity to the farms except at prices that the farmer could not pay. The private investors have awakened to a sense of the responsibility that is theirs, and in some instances they are supplying electricity at very fair and reasonable rates; but in other instances, when there is no possibility of getting public service from some public generating plant, they are still holding up prices at an enormous level.

That condition, we hope, will disappear. I have no doubt of it. When it does, more farmers will take electricity, more electric appliances will be used in the farmers' homes. The farmers will begin to buy stoves, they will buy refrigerators, and washing machines, and ironing machines, and all sorts of things that they now cannot afford to pay for. That means, in my judgment, that unless some calamity occurs, the whole scheme of the R. E. A. is going to meet with an impetus and upgrade development that will bring success to practically every one of the projects that have been put in.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Kentucky.

Mr. CHANDLER. I desire to inform the Senator from Nebraska of an experience in Kentucky which I am quite certain will be of great pleasure to him because of his great general interest in this matter.

By negotiations in 1939 we were able to get the power companies in Kentucky to agree to a wholesale rate to rural cooperatives of 1.2 cents per kilowatt-hour. I believe that is one of the lowest rates that has been established for furnishing power wholesale to rural cooperatives. I believe the records will show that, because of that, during 1938 and 1939 the people of Kentucky perhaps made the greatest advance that was made in the United States in obtaining by negotiation electric service to the farmers of the State. I know that the Senator from Nebraska will be very much pleased with the experience of the people of Kentucky during recent years.

Mr. NORRIS. I thank the Senator.

The Senator speaks of a rate of 1.2 cents per kilowatt-hour. As rates go now, that is not a bad rate. I should not call it a low rate. There are now many lower rates than that. There are a great many that are higher. Within the next few

years, when the country is more completely covered with electric wires, I think a rate of 1 cent per kilowatt-hour, wholesale, will be considered an exorbitant rate. The present T. V. A. wholesale rates are something less than 1 cent. I believe the rate which the Senator from Kentucky has mentioned probably would come close to the average, or perhaps a little lower.

Mr. CHANDLER. If the Senator will yield for just a moment, I believe that at the time the rate was obtained it was the lowest in the country.

Mr. NORRIS. It probably was.

In my judgment, Mr. President—and I want to be unprejudiced; I want to be honest about the matter—the Government of the United States never made a loan which on the average was as secure and as safe as the money that has been loaned to furnish R. E. A. electric service to the farmers of America. It is a debt that the farmer is going to pay in preference to any other debt. It is a debt that is going to be met even though the farmer cannot buy gasoline for his Ford. It is being met now in my own State. In a part of the State where there has not been a full crop in 8 years the farmers are now taking electricity where these organizations are successful. If a full crop comes this year, the consumption in the State by the farmer will treble; and do you know what that means in every electric service? Double the service without increasing the transmission lines or the number of customers, just double the service that you have, and you cut in two the price that you can afford to charge the consumer. You have made profit out of what before was a blank failure.

In my judgment, nothing the Government of the United States has ever done in a financial way equals the return that must come from loaning this money. It is not only that the Government is going to get its loans paid. There is no subsidy to the farmer in this loan. I think we would be justified in voting a subsidy to carry electricity to the farming people of America; but it is not being done. They are paying their way, and this is going to be one of the most profitable investments the Government ever made.

But that is not all. There is an obligation on the part of a government that cares anything for its people, a government that has any regard for the happiness of the families that live on the farm, that do the drudgery of the Nation, that produce what keeps us all alive and gives us clothing and food, the very foundation of our civilization. Those people have been held down in poverty because they have lacked the things that bring happiness and comfort to the fireside and to the home.

Those things are coming to the farmer. Furnishing them to him is worth more to the perpetuity of the Nation and the health of civilization than getting back the money we have loaned. The important thing is the good that we are doing. We are affording some comfort and happiness to the distressed housewife who has almost worried her life out over the hot stove in the summer time in trying to take care of the workers on the farm. We are making it unnecessary for her to break her back in washing and ironing the clothing. We are making it unnecessary for her to carry to the house water from the pump that probably came down from her forefathers. We are bringing some comfort, some happiness, to the distressed portion of our people and of our Nation. We can afford to lose all the money for the happiness these loans are going to bring, and they are going to bring it.

I saw Mr. Carmody in my office before he gave up the R. E. A. He came to see me about something, and when we got through with the consideration of the subject he had brought to my attention I said, "Carmody, do you know any instances in which you have installed electricity in farm homes and the farmers got tired of it and made you take it out?" He said, "Yes; we had a case in Minnesota. We started an organization, which went to work and put in the electricity. They got it all started and going and charged, and they had been running for 2 or 3 months when a farmer came into the office in town one day and said, 'I wish you would send a man out to my home to disconnect the electricity and bring in the meter.' They tried their best to talk him out of it. They



could not do anything with him; so they said, 'All right, we will send out a man in a few days.'

"In a few days they sent out a man, and the farmer was not there. His wife was there, however; and the man from the company explained to the wife why he had come. She said, 'Oh, no; I do not want the electricity disconnected. I do not think you will do it.' The man said, 'But it is your husband's order.' She said, 'I cannot help that, but I do not think you had better try it'; and she looked so determined and so robust to the young fellow who went out there that he decided not to try it. He went back to town, and the men in the office laughed about the incident when he reported it, and said, 'When the old man comes home she will talk him out of this crazy notion'; but she did not.

"A few days after the farmer returned home he came into the office of the company and brought the meter with him, and said, 'Here is your darned old meter. I don't want it any more. I have disconnected it.' They said, 'What for? What have we done?' 'You have not done anything, but I can't afford electricity. I won't have anything to do with it. I have paid up the bill. I am all clear, but no more electricity for me'; and so he went home. When he got home, however, his wife was not there, and up to this hour she has not returned." [Laughter.]

Mr. President, when electricity is installed in the farmer's home it is necessary to deal with the farmer's wife. It is probably to the farm women that the most happiness is brought by these modern conveniences, and that is where it ought to come. It is necessary to deal with them; and as long as there are rolling pins and fire tongs around the farm home, it will not be safe for anybody to go out there to disconnect the electricity or take away the meter. [Laughter.]

This is a debt that the farm people are going to pay if they ever pay anything. What we ought to do is to devote our energies and our abilities, what little we have, to trying to get the farmers a wholesale rate that is away below the rate they are now paying, and we ought to be able to get appliances to them at half the price they are now paying.

Electricity is different from any other commodity. It is no use and no good unless there are appliances with which to use it. The appliances are just as necessary as the electricity itself; and when the farmers pay an exorbitant price for the appliances it is just the same and just as bad as though they were paying an exorbitant price for the electricity itself.

Everybody knows that the price of appliances is all out of joint with the cost of the appliances. An enormous profit goes into the manufacture and sale of the appliances. The Government has done something with that condition. It has been criticized very severely for doing it. The Government has brought about a great reduction all over the Tennessee Valley, and is now trying to do it all over the United States. It has brought about a reduction in the construction cost of electric lines. It has brought about a reduction in the cost of meters. For instance, now, I think all over the United States, the farmers have a meter, or they can get it—at least, all new projects can get it—that, as I remember now, costs about half or less than half the cost of the ordinary meter, and it is a meter which any of us can read just as easily as we can read the figures on the speedometers of our automobiles.

Mr. HILL. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment. It is not necessary to have an expert to come and read the meter. That expense and that cost have been done away with. The farmer reads the meter and telephones the reading over the country telephone. He can read it just as he can read the figures on the speedometer of his automobile, as I have stated.

About once every 3 months the experts inspect the projects the different farmers are operating and look at the meters. If a farmer has cheated, or if he has been wrong, if he has not given the correct report when he telephoned the reading as to how much had been consumed in February or March, for instance, he is caught. He will not give a false reading,

even though he were inclined to do so. He will not be inclined to do so for two reasons: First, because almost all the farmers are like the general class of honest people; they are honest themselves. In the next place, they are members of cooperative institutions, and if a farmer cheats, he cheats himself the same as he cheats his neighbor. I yield to the Senator from Alabama.

Mr. HILL. The Senator from Nebraska, who knows more about this subject, certainly, than any man I have ever known, was just speaking of the reduction in the cost to the farmer due to the R. E. A. As the Senator from Nebraska so well knows, at the time we set up the R. E. A. one of the great costs incident to rural electrification was the cost of the lines. The lines cost the farmer between \$1,500 and \$1,800 a mile. Today, largely through the R. E. A., that cost has been reduced from between \$1,500 and \$1,800 to about \$800.

Mr. NORRIS. It is less than that. I read a statement of the average today; it is between six and seven hundred dollars.

Mr. HILL. The same reduction which we have witnessed in the cost of the lines has gone down pretty well through the appliances and everything else connected with the system.

Mr. NORRIS. Absolutely.

Mr. HILL. At the very time when we set up the R. E. A., many of the power companies were saying, "It is not economical. You cannot carry these lines out into the rural areas." They are now themselves carrying hundreds of thousands of miles out through the rural areas, the R. E. A. having shown it could be done, and the R. E. A. having served as an impetus, a spur, to get it done. Is not that true?

Mr. NORRIS. That is correct. I want to say just a word more, and then I shall have concluded. The Senator reminds me of another thing. I wish to refer to the reduction not only in the cost of appliances, but in the cost of electricity itself, which is coming. I mentioned one improvement, in the matter of the meter, a meter which anyone can read, which is less than half the price it originally was. The prices of the wires which are to be established, and of the appliances which are to be used, are being cut in two. They are all coming down.

In the end the farmer will be one of the best electric customers in the United States. He is a better customer than the ordinary person in the city, and it is very plain why he is, for to him the use of electricity is comparatively new; in his case it has not gone far enough yet, and improvements and developments are coming every day. The farmer is going to use electricity to improve the production of eggs, and that use is advancing at a wonderful rate. He is going to use it in connection with the raising of chicks, and the raising of little pigs. The use of electricity in the pumping of water, of course, is common, has long been known. The farmer is milking his cows with electricity. There is another thing which is a practical improvement. Instead of building a five-wire fence to confine cattle and pigs, he can put up a two-wire fence, one wire for the cattle and one for the hogs, and electrify them with a very weak current, eight volts, and that is a better means of keeping stock in a field than has ever been before known. When a cow or a hog goes up against that lightly charged electric wire once, it never goes up against it again, and after the farmer has had the fence electrified for a few days, he can turn the electricity off. The animals cannot tell the difference by looking at the fence whether it is electrified or not. All kinds of improvements are being made.

Mr. LEE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LEE. I understand there are electric voting machines in New York which will elect a candidate and electrocute his opponent with the same shock. [Laughter.]

Mr. NORRIS. I do not know about that. We are living in an electric age, and we are at the very beginning of a great advance in the use of electrical appliances, with the prospect of affording greater comfort and profit and happiness than ever before known.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield.

Mr. HILL. The Senator expressed a fear, shared by many of us, that if we strike out the language from lines 8 to 13, on page 90, the language which really makes the direct appropriation of \$40,000,000, and then afterward add the committee amendment providing for financing the R. E. A. through the R. F. C., if the committee amendment should be voted down, then we would at that moment be in the position of not having anything in the bill except the small amount for administration purposes.

Mr. NORRIS. That would not do any good.

Mr. HILL. No; there would not be anything to administer. What I am wondering is why it would not be in order, instead of striking out the language on lines 8 to 11, page 90, and then offering the amendment in reference to the R. F. C., to offer the amendment providing for the loans through the R. F. C. as a substitute for this language in lines 8 to 11, on page 90. Then, if the substitute fails, the language from lines 8 to 11, making direct appropriations, would remain in the bill. Would that be in order?

Mr. CLARK of Missouri. Mr. President, the amendment is legislation, there is no question.

Mr. HILL. I understand that.

Mr. CLARK of Missouri. Therefore it would not be in order as a committee amendment for the reason that one amendment would take a two-thirds vote and the other one a majority vote.

If the Senator will permit, if the situation should arise to which he has referred, the committee amendment being agreed to and then the other amendment failing, of course it would still be in order to move a reconsideration of the vote by which the committee amendment was agreed to.

Mr. NORRIS. That is all right if we have an understanding that is going to happen in case the condition arises. The Senator from Georgia has already obtained unanimous consent to defer the consideration of this amendment until everything else in the bill has been acted on. So I do not understand that there will be any trouble on that score.

Mr. President, after we finished the debate in the Senate this afternoon relating to rural electrification, I sent to my office for some statistical information for which I had asked Mr. Slattey—data relating to various subjects connected with the electrification administration. I obtained the information, and I ask to have it printed immediately following the remarks I made this afternoon.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### INCREASE IN RURAL ELECTRIFICATION IN THE UNITED STATES

##### A. GENERAL STATEMENT

1. The percentage of farms in the United States with central-station service increased from 10.9 in January 1935 to about 25 percent in January 1940. In other words, the number of farms with electric service is now about two and one-half times greater than when R. E. A. was established.

2. This rapid increase reflects the work of both R. E. A. and the private industry. The Government's program has stimulated the interests of the private industry in rural electrification—has stimulated the industry to offer more reasonable terms to farmers to build in rural areas where service had previously been denied except at exorbitant rates.

3. However, there remain more than 5,000,000 of our farms without electric service.

##### B. STATISTICAL DATA

#### Rural electrification in the United States

Year ending Jan. 1—	Number of electrified farms	Percentage of all farms electrified
1925	204,780	3.2
1926	246,150	3.9
1927	309,125	4.9
1928	303,221	6.2
1929	506,242	8.0
1930	576,108	9.2
1931	649,919	10.2
1932	698,786	10.7
1933	709,449	10.5
1934	713,558	10.5
1935	743,954	10.9
1936	788,795	11.

<sup>1</sup> R. E. A. established May 1935.

#### Rural electrification in the United States—Continued

Year ending Jan. 1—	Number of electrified farms	Percentage of all farms electrified
1937	1,042,924	15.4
1938	1,241,505	18.2
1939	1,410,000	20.6
June 1939	1,513,000	22.1
January 1940	1,700,000	25.0

Source: Number of electrified farms: 1925-30, Statistical Bulletin No. 2, April 1935, Edison Electric Institute; 1931-38, Electrical World, January 1938; 1939-40, R. E. A. estimates.

#### GROWTH IN NUMBER OF RURAL CONSUMERS RECEIVING ELECTRIC SERVICE FROM R. E. A. FINANCED SYSTEMS

##### A. GENERAL STATEMENT

1. By February 1, 1940, there were 462,817 consumers connected and receiving electric service from R. E. A. financed systems. When lines now under construction are completed service will be made available to an additional 400,000 rural residents.

2. Since July 1, 1939, progress in the number of connected consumers has been at an accelerated pace. Of the 462,817 now receiving service, about 200,000 were connected between June 30, 1939, and February 1, 1940, an average of about 28,000 a month. This compares with an increase of 168,000 between July 1, 1938, and July 1, 1939, or an increase of 14,000 a month.

##### B. STATISTICAL DATA

#### Connected consumers on Rural Electrification Administration financed lines

Date	Consumers connected (approximately)	Miles of line energized (approximately)
June 1936	1,000	400
June 1937	20,000	8,000
June 1938	100,000	40,000
June 1939	268,000	115,000
July 1939	275,000	120,000
August 1939	290,000	127,000
September 1939	310,000	136,000
October 1939	340,000	150,000
November 1939	370,000	164,000
December 1939	400,000	180,000
January 1940	462,817	192,155

##### ALLOTMENTS

##### A. GENERAL STATEMENT

1. The growing importance of the Federal rural-electrification program is clearly shown by the amount of allotments made by R. E. A. By February 29, 1940, R. E. A. had made allotments totaling \$269,396,793 to 689 borrowers located in 45 States.

2. As shown by the accompanying data, substantially all of the allotments of the present fiscal year were made during the first 6 months. Because of improved methods and procedures, R. E. A. was able to make these allotments as soon as appropriations became available. This has made it possible for borrowers to take advantage of favorable weather conditions of the fall for construction.

3. Of the 689 borrowers, 613 are cooperative associations, 52 are public power districts and other public bodies, and 24 are private companies.

##### B. STATISTICAL DATA

#### Allotments and number of borrowers

Date	Allotments	Number of borrowers
June 1936	\$15,050,000	66
June 1937	61,148,000	266
June 1938	89,565,000	367
June 1939	229,698,000	632
July 1939	235,411,000	635
August 1939	241,715,000	648
September 1939	253,909,000	664
October 1939	261,474,000	671
November 1939	267,136,000	687
December 1939	268,037,000	688
February 1940	269,396,793	689

#### FUNDS ADVANCED BY THE TREASURY FOR RURAL ELECTRIFICATION

##### A. GENERAL STATEMENT

1. By February 29, 1940, R. E. A. had advanced funds totaling \$197,583,616. This figure compares with advances of \$122,338,000 on July 1, 1939, \$60,500,000 on July 1, 1938, and \$12,401,000 on July 1, 1937.

2. From these figures it may be observed that \$75,245,616 was advanced during the 8-month period of July 1, 1939, and February 29, 1940, in comparison with \$61,838,000 during the 12-month period July 1, 1938, to July 1, 1939. On a comparative monthly basis, dur-



ing the 8-month period July 1, 1939, to February 29, 1940, the monthly average of advances was \$9,405,000 in contrast to \$5,153,000 during the year July 1, 1938, to July 1, 1939.

#### B. STATISTICAL DATA

##### Advances by the Treasury Department for rural electrification

June 1936	\$823,000
June 1937	12,401,000
June 1938	60,500,000
June 1939	122,338,000
July 1939	132,936,000
August 1939	146,078,000
September 1939	157,945,000
October 1939	166,321,000
November 1939	176,073,000
December 1939	184,099,000
February 1940	197,583,616

#### PROGRESS IN LINE CONSTRUCTION

##### A. GENERAL STATEMENT

1. During the 8-month period July 1, 1939, to March 1, 1940, a total of 78,711 miles of line was constructed, an average of 9,838 miles per month. This compares with a total of 75,817 miles constructed during the year July 1, 1938, to July 1, 1939, or an average of 6,318 miles per month.

2. During November and December of 1939 the rate of construction reached an all-time high, averaging slightly over 500 miles of line a day.

#### B. STATISTICAL DATA

##### Miles of line constructed (weighted construction)

June 1936	12,462
June 1937	61,460
June 1938	137,277
June 1939	146,091
July 1939	158,267
August 1939	167,558
September 1939	177,466
October 1939	190,793
November 1939	200,579
December 1939	215,988
Mar. 15, 1940	

#### PROGRESS IN REDUCTION OF LINE-CONSTRUCTION COSTS

##### A. GENERAL STATEMENT

1. One of the outstanding accomplishments of R. E. A. is the substantial reduction in the cost of line construction. Before R. E. A. was established the reported average cost of rural lines ranged from \$1,500 to \$1,800 a mile. The cost of R. E. A. financed lines averages about \$800, or approximately 50 percent of previously reported costs.

2. This reduction has been achieved without any impairment of quality or durability of construction. Today R. E. A. line design is being adopted by private companies.

3. Since 1935 the over-all line costs of R. E. A. borrowers have been declining—from \$980 in 1936 to \$914 in 1937, to \$810 in 1938, and to \$754 in 1939. For the last 6 months of 1939 the average construction contract cost was \$648 a mile in contrast to \$865 in 1937.

#### DEVELOPMENT OF EQUIPMENT FOR RURAL LINES AND RURAL PEOPLE

##### A. GENERAL STATEMENT

1. R. E. A. is constantly striving to make rural electric service meet the needs of rural areas and, where necessary, to encourage the development of equipment for this purpose. Two of the outstanding technical developments are a cyclometer-type meter and a small, low-cost transformer.

2. In cooperation with manufacturers, R. E. A. has developed a cyclometer-type meter which permits easy, direct reading and reporting by farmers themselves, and thus reduces the cost of meter reading from about 15 to 3 cents a month per meter. This one development will save consumers on R. E. A. lines many thousands of dollars every year.

3. A second outstanding development is a low-cost, small transformer that will enable farmers of very limited income to enjoy electric lights and small electrical appliances for a minimum bill of \$1 a month. This development is an excellent example of the efforts of R. E. A. to make electric service available to all farmers regardless of their income status.

#### BENEFITS OF FEDERAL RURAL ELECTRIFICATION PROGRAM TO INDUSTRY

##### A. GENERAL STATEMENT

1. During the present fiscal year it is estimated that R. E. A. borrowers will purchase electric power at wholesale from private utility companies that will total almost \$3,000,000. This is new business for the private industry, business for which it did not have to incur any selling or development expense and which results generally in the improvement of their load factor.

2. The Government's rural-electrification program has made a new market for manufacturers of line construction materials. As of June 30, 1939, it is estimated that the Federal funds used for financing line construction, wiring, and plumbing required manufactured products totaling \$145,500,000. This was divided among many industries, as shown in the accompanying table.

3. In addition, consumers on R. E. A. lines spent almost \$27,000,000 for wiring and plumbing installations and almost \$80,000,000 for appliances and other farm electrical equipment.

#### B. STATISTICAL DATA

##### Estimated value of construction materials used in R. E. A. program between May 1935 and June 1939

Conductors	\$48,500,000
Guys, hardware, insulators, etc.	33,500,000
Poles	27,000,000
Transformers	25,000,000
Generating equipment	4,000,000
Meters	5,500,000
Wiring and plumbing	2,000,000

#### LOAN APPLICATIONS PENDING

##### A. GENERAL STATEMENT

1. There are definite indications that the desire for electric service by farm people on terms that they can afford to pay is increasing. Loan applications on hand or being prepared in the field totaled \$62,761,200 on March 15, 1940.

2. These applications have been submitted by farm groups notwithstanding the discouragement given inquirers when available loan funds are near exhaustion. The amount of \$62,761,000 exceeds by \$22,761,000 the loan appropriation of \$40,000,000 recommended in the Budget for fiscal year 1941.

#### B. STATISTICAL DATA

##### Loan applications pending as of March 15, 1940

	Number of applications	Amount
Ready for allotment	51	\$6,408,000
Being examined for allotment	182	22,851,500
Known to be in preparation in field	264	33,501,700
Total	497	62,761,200

#### CONTROL AND SCHEDULING OF R. E. A. ACTIVITIES

1. One of the most important managerial techniques involved in the execution of the rural-electrification program has been the establishment by an experienced management engineer of schedules of performance for each type of activity. Through close adherence to these schedules, the work involved in each operation is coordinated with the previous and succeeding operations so that the program moves forward in an orderly manner, each operation being performed at the right time and in relation to all other operations. As a result of these schedules and the necessary controls to make them effective, many operating economies and increased efficiency have been obtained without impairment of either quality or thoroughness of work. For example, the scheduled period of time elapsing between an allotment of funds and the execution of the construction contract has been reduced from 36 weeks in fiscal 1936 to 22 weeks in fiscal 1937, to 16 weeks in fiscal 1938, and to 12 weeks in fiscal 1939.

2. In consequence of the knowledge of the personnel requirements to execute the program of the Congress as determined by the schedules and controls noted above, R. E. A. is able to develop calculated budgets of its administrative expenses. As a result, the R. E. A. administrative budget is estimated with considerable precision and the Bureau of the Budget can judge the requirements of R. E. A. with more than customary accuracy.

#### FINANCIAL RESULTS OF R. E. A. PROGRAM

##### A. GENERAL STATEMENT

1. Notwithstanding the fact that R. E. A. borrowers are new concerns and many of them have been in operation a relatively short time, they as a whole are in excellent condition and show assuring prospects.

2. Thirty percent of the borrowers' systems for which loans have been made are not yet energized. Of the remaining 70 percent, about 30 percent are constructing additions and are not completely energized; i. e., of all R. E. A. borrowers only 20 percent are completed, well rounded out, energized going concerns.

3. The best evidence of the financial results of the R. E. A. program to date is contained in the figures showing the amounts due R. F. C. and the amounts collected to meet these payments. As shown in the following table every payment has been made to R. F. C. and a surplus has been maintained for future payments.

#### B. STATISTICAL DATA

##### Interest account of Rural Electrification Administration—interest received from borrowers, interest due and paid Reconstruction Finance Corporation, and balances available for future payments

Date	From borrowers	Due and paid Reconstruction Finance Corporation	Balance
July 1, 1937	\$19,329.06	\$19,329.06	
Jan. 1, 1938	47,963.12	15,086.61	\$32,876.51
July 1, 1938	152,015.37	14,840.63	137,174.74
Jan. 1, 1939	605,826.21	508,889.32	96,936.89
July 1, 1939	834,837.44	223,597.74	611,239.70
Jan. 1, 1940	2,382,889.85	992,362.70	1,390,527.15

## SIGNIFICANCE OF DISTRIBUTION OF ELECTRICITY IN RURAL AREAS BY COOPERATIVE ASSOCIATIONS AND OTHER PUBLIC BODIES

1. Ownership and control of rural electric distribution systems by associations of citizens of a community point the way toward desirable decentralization and away from the centralized control over community activities of financial centers. It is reviving the interests of citizens in the affairs of their community.

2. The development of rural cooperatives and other nonprofit public bodies for rural electrification is one step toward a true democratic society in which citizens, through their collective efforts, can control their affairs. Such organizations help to educate them in democratic principles and democratic institutions.

*Rural Electrification Administration statistical statement as of Feb. 29, 1940, except as noted*

	Appropriations	Allotments	Loan contracts	Advances
1935 Relief Act.....	\$14,165,128	\$14,165,128	\$14,165,128	\$13,953,057
1937 R. E. A.-R. F. C.....	50,000,000	46,499,331	46,380,331	(1)
1938 R. E. A.....	30,000,000	29,926,586	29,705,136	27,548,506
1939 R. E. A.-R. F. C.....	140,000,000	139,923,556	139,246,196	(1)
1940 R. E. A.....	40,000,000	38,882,192	36,561,502	7,610,683
Total.....	274,165,128	269,396,793	266,058,293	197,583,616

<sup>1</sup> 1937 and 1939 funds cannot be segregated by years: Total, \$148,471,370.

## Allotments by type of borrower and purpose

Type	Number of borrowers	Total amount	Line construction	Generating plants	Wiring and plumbing
Cooperatives.....	613	\$248,483,441	\$237,481,029	\$6,255,000	\$4,747,412
Public bodies.....	52	16,490,586	15,909,636	165,000	414,950
Private.....	24	4,422,766	4,369,766	53,000	0
All.....	689	269,396,793	257,760,431	6,474,000	5,162,362

## Wiring and plumbing loans

System borrowers.....	486
Individual's notes.....	29,255
Wiring notes.....	26,151
Plumbing notes.....	2,481
Amount advanced.....	\$2,527,824.60
Average amount of note.....	86.41
Average wiring note.....	72.75
Average plumbing note.....	163.73

## Systems, miles and consumers

Region	Number of borrowers	Allotment		Energized systems	Operating	
		Miles	Consumers		Miles <sup>1</sup>	Consumers <sup>1</sup>
United States.....	689	252,448	853,515	579	192,156	462,817
1. North East.....	63	32,355	119,407	59	27,069	70,137
2. South East.....	95	33,510	132,100	80	26,049	73,408
3. East South Central.....	79	30,145	130,585	70	24,808	87,509
4. Central.....	100	41,003	136,214	79	27,831	65,015
5. North Central.....	76	29,890	86,207	65	24,738	48,269
6. West Central.....	95	30,499	78,992	74	21,232	37,976
7. South West.....	104	38,782	121,371	95	29,991	58,160
8. West.....	77	16,264	48,639	57	10,438	22,343

<sup>1</sup> As of Jan. 31, 1940.

## United States farms with central-station service

	Number	Percent
Jan. 1, 1935.....	744,000	10.9
Jan. 1, 1940.....	1,700,000	25.0

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Beltsville Research Center", on page 90, line 16, after the word "expenses", to strike out "\$85,000" and insert "\$86,620", so as to read:

For general administrative purposes, including maintenance, operation, repairs, and other expenses, \$86,620; and, in addition thereto, this appropriation may be augmented, by transfer of funds or by reimbursement, from applicable appropriations, to cover the cost, including handling and other related charges, of services and supplies, equipment and materials furnished, stores of which may be maintained at the center, and to cover the cost of building construction, alteration, and repair performed by the center in carrying out the purposes of such applicable appropriations, and the

applicable appropriations may also be charged their proportionate share of the necessary general expenses of the center not covered by this appropriation.

Mr. CONNALLY. Mr. President, I ask unanimous consent to return to the committee amendment on page 33, line 5, which was agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. RUSSELL. Mr. President, will not the Senator from Texas withhold his request until we conclude action on the other amendments of the committee? There are but a few of them.

Mr. CONNALLY. In deference to the Senator from Georgia, I withhold the request.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 90, line 16.

The amendment was agreed to.

The next amendment was, under the heading "Farm Credit Administration—Salaries and expenses," on page 95, line 10, after the words "in all", to strike out "\$3,750,000" and insert "\$3,770,000", so as to read:

For salaries and expenses of the Farm Credit Administration in the District of Columbia and the field; traveling expenses of officers and employees including not to exceed \$5,000 for travel incurred under proper authority attending meetings or conventions of members of organizations at which matters of importance to the work of the Farm Credit Administration are to be discussed or transacted; printing and binding; contingent and miscellaneous expenses, including law books, books of reference, and not to exceed \$1,000 for periodicals, newspapers, and maps; contract stenographic reporting services, and expert services for the preparation of amortization tables; library membership fees or dues in organizations which issue publications to members only or to members at a lower price than to others, payment for which may be made in advance; purchase of manuscripts, data, and special reports by personal service without regard to the provisions of any other act; procurement of supplies and services without regard to section 3709 of the Revised Statutes (41 U. S. C. 5) when the aggregate amount involved does not exceed \$50; purchase, exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles and motortrucks to be used only for official purposes; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; garage rental in the District of Columbia and elsewhere; payment of actual transportation expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses of persons serving, while away from their homes, without other compensation from the United States, in an advisory capacity to the Farm Credit Administration; employment of persons, firms, and others for the performance of special services, including legal services, and other miscellaneous expenses; necessary administrative expenses in connection with the making of loans under the provisions of the Act of January 29, 1937 (50 Stat. 5), and the collection of moneys due the United States on account of loans made under the provisions of the acts of March 3, 1921 (41 Stat. 1347), March 20, 1922 (42 Stat. 467), April 26, 1924 (43 Stat. 110), February 28, 1927 (44 Stat. 1251), February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 3), March 3, 1930 (46 Stat. 78, 79), December 20, 1930 (46 Stat. 1032), February 14, 1931 (46 Stat. 1160), and February 23, 1931 (46 Stat. 1276), January 22, 1932 (47 Stat. 5), February 4, 1933 (47 Stat. 795), March 4, 1933 (47 Stat. 1547), February 23, 1934 (48 Stat. 354), March 10, 1934 (48 Stat. 402), June 19, 1934 (48 Stat. 1021), February 20, 1935 (49 Stat. 28), March 21, 1935 (49 Stat. 49), April 8, 1935 (49 Stat. 115), January 29, 1937 (50 Stat. 5), February 9, 1937 (50 Stat. 8, 11), February 29, 1937 (50 Stat. 26), and Executive Order No. 7305, dated February 28, 1936; examination of corporations, banks, associations, credit unions, and institutions operated, supervised, or regulated by the Farm Credit Administration: *Provided*, That the expenses and salaries of employees engaged in such examinations shall be assessed against the said corporations, banks, or institutions in accordance with the provisions of existing laws, in all, \$3,770,000, together with not to exceed \$3,900,000 from the funds made available to the Farm Credit Administration under the acts of January 29, 1937 (50 Stat. 5), February 9, 1937 (50 Stat. 8, 11), February 4, 1938 (52 Stat. 26), and June 30, 1939 (Public, No. 159).

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. RUSSELL. Mr. President, I desire to offer an amendment on behalf of the committee. The committee increased the item with respect to the Commodity Exchange Corporation and overlooked increasing the amount in the District of Columbia.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 69, line 14, it is proposed to strike out "\$198,340" and to insert "\$214,050."



The amendment was agreed to.

Mr. RUSSELL. Mr. President, there is a clerical error on page 83, line 3. The figures "1940" should read "1941." I ask unanimous consent that it may be corrected.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the correction will be made.

Mr. RUSSELL. Mr. President, I am instructed by the committee to offer another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 79, line 8, following the word "materials", it is proposed to insert the words "or any soil-conserving services."

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 79, line 14, following the word "materials", it is proposed to insert the words "or any soil-conserving services."

The amendment was agreed to.

Mr. RUSSELL. I offer another amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 78, line 9, it is proposed to strike out all after the colon down to and including the colon in line 17, as follows:

*Provided further,* That such amounts as may be necessary of this appropriation shall be immediately available to reimburse the appropriation under this head for 1940 on account of obligations created against said appropriation in connection with the 1940 grant-of-aid program, advances for the 1940 crop-insurance program, and county-association expenses for the 1940 agricultural conservation program.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, that concludes the amendments to be offered on behalf of the committee, with the exception of one passed over, the rural-electrification amendment, and another legislative amendment. I wish to offer, then, in behalf of the committee, the rural-electrification amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. RUSSELL. I dislike to suggest the absence of a quorum. The Senator from Ohio stated he wished to be on the floor when this amendment was considered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. RUSSELL. I do not suggest the absence of a quorum. I am merely making the statement in order that anyone interested might notify the Senator from Ohio.

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. At the proper place it is proposed to insert the following:

Loans: For loans in accordance with sections 3, 4, and 5, and the purchase of property in accordance with section 7 of the Rural Electrification Act of May 20, 1936, as amended (7 U. S. C. 901-914), \$40,000,000, which sum shall be borrowed from the Reconstruction Finance Corporation in accordance with the provisions of section 3 (a) of said act and shall be considered as made available thereunder; and the Reconstruction Finance Corporation is hereby authorized and directed to lend such sum in addition to the amounts heretofore authorized under said section 3 (a) and without regard to the limitation in respect of time contained in section 3 (e) of said act; and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions hereof.

The PRESIDING OFFICER. Without objection, the committee amendment is agreed to.

Mr. RUSSELL. Mr. President, that is a legislative amendment.

Mr. NORRIS. Mr. President, does not the Senator want to make a change in line 12?

Mr. RUSSELL. I did not understand the Senator's comment.

Mr. NORRIS. Does not the Senator want to make a change in lines 12 and 13, following the amendment?

Mr. RUSSELL. Since the amendment has been agreed to, the other amendment, on line 13, is now in order, because the amendment adopted provides for a loan from the R. F. C., and this appropriation is for administrative expenses.

The PRESIDING OFFICER. Let the Chair suggest that the amendment, on lines 8 to 11 and lines 12 and 13, be disposed of in order to put the bill in proper shape.

Mr. RUSSELL. I understand that the committee amendment, on lines 8 to 11, page 90, has not been agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment on lines 8 to 11, page 90.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment presented by the committee.

The CHIEF CLERK. On page 90, line 12, it is proposed to strike out "\$43,075,000" and to insert "\$3,075,000."

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I have a final amendment which I submit, as instructed by the committee.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 85, after line 24, it is proposed to insert the following:

Loans: For loans in accordance with title I of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (7 U. S. C. 1000-1006), \$50,000,000, which sum shall be borrowed from the Reconstruction Finance Corporation at an interest rate of 3 percent per annum; and the Reconstruction Finance Corporation is hereby authorized and directed to lend such sum to the Secretary of Agriculture, who shall make repayment thereof out of all moneys collected by him representing payments of principal and interest on the loans made out of the funds so borrowed, and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions hereof: *Provided, however,* That the Secretary of the Treasury is authorized, when requested by the Federal Loan Administrator, to pay to the Reconstruction Finance Corporation from funds not otherwise appropriated an amount equal to the unpaid principal amount of the loans made hereunder, together with the interest accrued and unpaid thereon, and thereafter any sums repaid on account of said loans shall forthwith be covered into the general fund of the Treasury.

Mr. RUSSELL. Mr. President, this is the legislative provision, which has been discussed earlier in the debate, which transfers the tenant farmer loan program to the Reconstruction Finance Corporation.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 85, after line 24.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, that concludes the committee amendments.

Mr. BYRNES. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 80, line 8, after the figures "1942", it is proposed to insert a colon and the following:

*Provided further,* That notwithstanding any other provision of law, persons who in 1938 and 1939 carried out farming operations as tenants or sharecroppers on cropland owned by the United States Government and who complied with the terms and conditions of the 1938 and 1939 agricultural conservation programs formulated pursuant to sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, shall be entitled to apply for and receive payments, or to retain payments heretofore made, for their participation in said program to the same extent as other producers.

Mr. BYRNES. Mr. President, this amendment is subject to a point of order. Because it is subject to a point of order I gave notice a few days ago that it would be offered. I did not offer it in the Appropriations Committee, because I realized it was subject to a point of order.

The purpose of the amendment is to correct a situation which arose out of the leasing of public lands to individuals who are participating in the agricultural program. Individual farmers leased lands from the Forest Service particularly, and believing that they had a right to participate in the benefits of the agricultural program curtailed their acreage, and the Department, believing that they had the right to participate, made benefit payments to them in 1938. In 1939 the same situation existed, and these farmers, encouraged by the local agents to believe that they were entitled to the benefits, participated in the program.

During the year, sometime in the fall, some attorney in the Solicitor's office in the Department of Agriculture concluded that the proper interpretation of the language of the act would preclude the payment of benefits to these farmers who had in 1938 received the benefits, and in 1939 had participated in the program, but had not yet been paid. After considerable discussion between the lawyers—because it was contended that the farmers were entitled to the benefits, and that was my own interpretation of the language when it was called to my attention—the attorney in the Solicitor's office took the position that whereas the original Agricultural Adjustment Act specifically authorized the payment, in the amended or second Agricultural Adjustment Act there was no specific reference to it, and he therefore construed the language which applied to all farmers, to eliminate from the payment of benefits the farmers who had leased lands from the Forest Bureau, because the second act did not contain the specific language contained in the first act.

Consequently the Department suggested the language contained in this amendment. If it is not adopted, then the Department under the interpretation of the law by the Solicitor's office would have to collect the money from the farmers who had received these benefits under the 1938 act. It would mean that they would have to put a stop order against the payment of any funds to these farmers, even if they moved to private lands.

The decision of the Department means that during this year those farmers will not receive benefits. The amendment does not seek to correct that failure of the law to provide for benefits. It seeks only to provide for the payment to those farmers who in 1938 and in 1939 in good faith cooperated and actually were paid.

Mr. RUSSELL. As I understand, the purpose of the amendment is only to correct a situation which would result in an injustice to the farmer by reason of something which he had no knowledge of at the time he leased the land; but it does not extend to the present year, 1940.

Mr. BYRNES. No; it does not. Not only did the farmer have no knowledge of it but the Department of Agriculture had no knowledge of it, and the representatives of the Department had induced the farmer to participate in the program, and actually paid him the money. The purpose of the amendment is to avoid the bringing of suits against the farmers and trying to collect the money in some way out of future benefits.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from South Carolina.

Mr. BYRNES. No; Mr. President, the question is on suspending the rule, because the Senator from Georgia will have to make a point of order against the amendment.

Mr. RUSSELL. Yes; Mr. President, I shall have to make a point of order, because the Senator has moved to suspend the rule.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina to suspend the rule. A two-thirds majority is necessary for a suspension of the rule. [Putting the question.] Two-thirds of the Senators present having voted in the affirmative, the rule is suspended.

The question now reverts to agreeing to the amendment proposed by the Senator from South Carolina.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I stated a few moments ago, when the R. E. A. amendment was under consideration,

that I had talked to Mr. Slattery, the director of that organization, and that he was going to furnish some additional figures. He told me over the telephone that there are 689 borrowers. That 504 of those borrowers have paid interest regularly, and that the amount of that interest on the first day of January 1940 was \$2,382,889, which has been paid out of earnings.

Mr. CLARK of Missouri. Mr. President, how many borrowers were there?

Mr. McKELLAR. There were 689 borrowers. Five hundred and four had paid their interest in full, and some ahead of time, leaving 185 that had not paid. But it must be remembered that they all had 3 years in which to begin the payment of interest. So, as Director Slattery said, a remarkable record of returns has been made up to date, and he considers these loans of the very finest quality.

Mr. AUSTIN and Mr. CONNALLY addressed the Chair.

The PRESIDING OFFICER. The Chair will state that he promised to recognize the Senator from Vermont.

Mr. CONNALLY. Will the Chair put me on the list of those to whom he has made promises of recognition?

The PRESIDING OFFICER. The Chair will state to the Senator from Texas that his name already is on that list. [Laughter.]

Mr. AUSTIN. Mr. President, I am about to offer an amendment which involves a mere change of language, and I believe constitutes the remedy for an oversight in reporting the bill. This amendment relates to the hurricane fire hazard reduction on White Mountain National Forest in New Hampshire.

The First Deficiency Appropriation Act, fiscal year 1939, Public, No. 7, Seventy-sixth Congress, appropriated \$500,000 for fire-hazard reduction work and timber salvage on the White Mountain National Forest, N. H., made necessary by the September 1938 hurricane. This money is being expended for additional fireguards, fire-fighting equipment, lookout towers and telephone lines, training fire fighters, and to defray the cost of administering sales of salvaged timber.

If the present hazard-reduction and timber-salvage programs are carried out between now and June 30 there will be no balance on that date. It is essential, however, that the extra effort to protect this public property of more than 700,000 acres should be continued into the next fiscal year. This can be accomplished by a change of language in the bill. This change would not require the appropriation of new money but would authorize a continuation of funds already appropriated. I would accomplish this by the amendment which I now offer and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 40, line 19, it is proposed to strike out the period and insert a colon and add the following:

*Provided further*, That there is hereby reappropriated for the fiscal year ending June 30, 1941, for the same purpose as originally appropriated any balance of the appropriation "National Forest Protection and Management" contained in the First Deficiency Appropriation Act, fiscal year 1939 (Public, No. 7, 76th Cong.), which remains unobligated on June 30, 1940.

Mr. RUSSELL. Mr. President, as was stated by the Senator from Vermont, this amendment does not increase the total of the bill. It is merely an appropriation of funds heretofore made available to deal with the condition in the New England States which grew out of the hurricane there a couple of years ago. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the vote by which the committee amendment on page 33, line 5, was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CONNALLY. Mr. President, this item of \$1,350,000 recommended by the committee is for the Bureau of Plant Industry. Its operations include a plant in southern California and another plant in Florida for the study of the



development, growth, handling, and so forth, of citrus fruits. Those States have that service now. I have conferred with officials of the Department of Agriculture, who say that with \$10,000 additional they can give the service to the Rio Grande Valley in Texas.

I wish to suggest that the extreme weather conditions in that area during the last winter brought on quite distressing conditions there. The trees froze and a great deal of the fruit froze. I hope very much that the Senate will authorize this additional \$10,000 for solving the citrus problems in the Rio Grande Valley.

Mr. President, it is one of the great citrus areas of the country. It produces this wonderful pink grapefruit that so many Senators get when they go to free banquets around Washington. [Laughter.]

I hope the Senator from Georgia will at least let this amendment go to conference. If we appropriate money for southern California for this purpose and appropriate money for Florida for the same purpose, I think it only fair that we give some consideration to the Rio Grande Valley.

I offer an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 33, line 5, in the committee amendment, it is proposed to strike out "\$1,350,000" and insert "\$1,360,000."

Mr. RUSSELL. Mr. President, I always dislike to disagree with my friend the Senator from Texas. I wish it were possible for me to accept the amendment. I see that we are starting a real economy drive when we object to an item of \$10,000 after Senate amendments have been agreed to which involve millions of dollars.

Mr. President, I do not think this amendment can be justified, and I dislike to set a precedent for reopening the bill and all these items to amendment.

This is one of the few items, with the exception of the larger amendments which were adopted by a record vote, with respect to which the Committee on Appropriations went above the Budget estimates. In connection with this item, providing for experimental work all over the United States, the committee went \$100,000 above the Budget estimate.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CONNALLY. There is no question about what the Senator says. I know that the committee went \$100,000 above the House figures, but the Chief of the Bureau told me over the telephone today that this item was in accordance with the Bureau estimate. I do not question what the Senator says, but I wish the Senator to know that I am acting in good faith.

Mr. RUSSELL. I happen to recall this item, because our subcommittee is very fortunate in having as a member an expert on matters pertaining to fruits in the person of the Senator from Delaware [Mr. TOWNSEND], who is a practical farmer and is familiar with all phases of fruit production.

Mr. CONNALLY. Mr. President, will the Senator again yield to me?

Mr. RUSSELL. I yield.

Mr. CONNALLY. Did the Bureau of the Budget ask for parity payments?

Mr. RUSSELL. No; the Bureau of the Budget did not.

Mr. CONNALLY. I voted with the Senator to exceed the Budget estimates with respect to parity payments. There was nothing sacred about the Budget estimates in that respect.

Mr. RUSSELL. As I was saying, this appropriation is not only above the Budget estimate, but it is above the appropriation for the current year. It is one of the two or three small increases which were allowed by the committee above the appropriation for the current year. If this work is important, and the Senator from Texas insists on it, the Bureau has plenty of money in the bill to do the work in Texas.

Mr. CONNALLY. The Bureau says it has not.

Mr. RUSSELL. O Mr. President, there is not a bureau in Washington which has ever told a Senator as capable of obtaining appropriations as the Senator from Texas that it has enough money.

Mr. CONNALLY. The Senator from Texas does not seem to be very successful in obtaining appropriations when the Senator in charge of the bill turns him down.

Mr. RUSSELL. Mr. President, it is not a very pleasant duty. Every Member of the Senate has specific items in which he is interested; and if those who look upon me as being very prodigal in the appropriation of public funds were to talk with some Members of the Senate who are interested in specific items, they would be told that I am very penurious and close. We try to be reasonable about these things. The committee has no detailed information on the subject. We know that this work is now being done in citrus experimental laboratories. If the Senator from Texas will defer his request until the next fiscal year, I do not think the citrus industry in Texas will be ruined.

Mr. CONNALLY. It is very nearly ruined now.

Mr. RUSSELL. Next year we can go into the merits of the question. I cannot accept the amendment at this time, and I hope the Senate will defeat it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. CONNALLY]. [Putting the question.] In the opinion of the Chair, the "noes" have it.

Mr. CONNALLY. Mr. President, I ask for a division.

On a division, the "ayes" were 11; the "noes" 30; so the amendment was rejected.

Mr. BANKHEAD. Mr. President, I call up an amendment which lies on the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama will be stated.

The CHIEF CLERK. On page 80, line 5, of the subcommittee print, after the words "Agricultural Adjustment Administration", and before the colon, it is proposed to insert the following:

Except that, within the total of limitations imposed by section 392 (b) of said act for administrative expenses in the District of Columbia, regional offices, and in the several States, such limitations may be interchanged, in whole or in part, during the current fiscal year, between the District of Columbia regional offices and the several States.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. Was the committee amendment which was reconsidered agreed to?

The PRESIDING OFFICER. The Chair does not know which amendment the Senator refers to.

Mr. RUSSELL. I am referring to the amendment on page 33, which was reconsidered by unanimous consent at the request of the Senator from Texas.

The PRESIDING OFFICER. Without objection, the committee amendment is agreed to.

Mr. BANKHEAD. Mr. President, the amendment which I have offered is subject to a point of order. However, notice has been given. Notice was given on the day the bill was presented. In fact, the amendment was brought to the attention of the committee. It does not involve any additional expenditure.

This amendment does not increase the appropriation. It grows out of the change in administration of the Federal Surplus Commodities Corporation. The amendment has been requested by Mr. Perkins. In view of the development of the stamp plan it has become necessary to have a larger force in the District of Columbia than has been necessary heretofore, because the purchases are all made in Washington. The shipments are all arranged for from Washington, and all the work in connection with distribution, the freight items, the destination, and the division of all the commodities sent out to the different States under the stamp plan, is done in Washington. The present law provides for a 3-percent expenditure for administration, but allocates only 1 percent to the District of Columbia, and 2 percent to the field.

My amendment simply permits, for the next fiscal year only, an interchange without increasing the amount. If more than 1 percent is needed in Washington, the Corporation will be authorized to use it without increasing the amount of the appropriation. Mr. Perkins states that it is important in the proper administration of the new program to have this flexibility and latitude. As I have indicated, the amendment is only for 1 fiscal year. The Senator in charge of the bill, Mr. RUSSELL, is familiar with the subject, and, as I understand, does not object to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama.

Mr. RUSSELL. Mr. President, I must make the point of order, so that the question will be on the motion to suspend the rule.

The PRESIDING OFFICER. The Chair has not heard such a motion.

Mr. BANKHEAD. Mr. President, the motion has been filed. I now make the motion to suspend the rule. The motion has been on file for 10 days.

The PRESIDING OFFICER. The question is on the motion of the Senator from Alabama [Mr. BANKHEAD] to suspend the rule. [Putting the question.] The Chair is in doubt.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama to suspend the rule.

Mr. RUSSELL. Is the question on suspension of the rule?

The PRESIDING OFFICER. The question is on the motion to suspend the rule.

Those favoring suspension of the rule will please rise and remain standing until counted. [A pause.]

Those opposed will please rise and remain standing until counted. [A pause.] In the opinion of the Chair, two-thirds of the Senators present have voted in favor of a suspension of the rule; and the rule is suspended.

The question now recurs on the amendment offered by the Senator from Alabama [Mr. BANKHEAD].

The amendment was agreed to.

Mr. BYRD. Mr. President, my colleague the Senator from Louisiana [Mr. OVERTON], who is ill, has asked me to offer an amendment in his behalf, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Virginia [Mr. BYRD] on behalf of the Senator from Louisiana [Mr. OVERTON] will be stated.

The CHIEF CLERK. On page 64, line 14, after the numerals "\$1,130,000", it is proposed to insert a comma and the following:

Of which \$5,000 shall be available for the maintenance of a market news service at New Orleans, La.

Mr. BYRD. Mr. President, as I have said, the Senator from Louisiana [Mr. OVERTON] is detained at his home on account of illness. He has asked me to offer this amendment. It does not increase the total appropriation. It merely provides for a continuation of the market news service which is now in operation at New Orleans. I understand that the Senator in charge of the bill [Mr. RUSSELL] does not object to the amendment.

Mr. RUSSELL. Mr. President, the Senator from Louisiana [Mr. OVERTON] was very much concerned about the closing of the market news service at New Orleans and discussed the matter before he was taken from the Senate by illness. The amendment does not increase the total amount of the appropriation, and I have no objection to taking it to conference to see what can be done with it, inasmuch as it does not increase the total appropriation.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MEAD. Mr. President, I send to the desk two amendments, which I ask to have stated at this time for the information of the Senate.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 62, line 13, it is proposed to strike out "\$725,000" and insert in lieu thereof "\$825,000"; and on page 64, line 14, it is proposed to strike out "\$1,130,000" and insert in lieu thereof "\$1,205,000."

Mr. MEAD. Mr. President, when I discussed the relative merits of these two amendments during the early period of the debate on the bill I emphasized the fact that both amendments are very necessary as a result of the increased volume of production of fruits and vegetables.

They are also necessary because of the added volume of fruits and vegetables marketed by truck. One of the amendments relates to the appropriation for marketing news service affecting the truck shipments of fruits and vegetables. The other amendment relates to the crop estimates of fruits and vegetables.

Mr. President, the increase in volume of fruits and vegetables in every State in the United States in the past 20 years makes it essential that these two services be expanded. In the past 20 years the supply of fruits in the United States has increased from 196 pounds per capita to 226 pounds per capita, while the vegetable production has increased twofold. More marketing information is therefore necessary, and better and more complete crop estimates are essential to agricultural prosperity; and, above all, more frequent news services are required.

As I stated during the debates yesterday, for a period last summer and fall the market reporters for the New York market agreed to put in extra time in order to issue a 6 a. m. market report on fruits and vegetables. The men reached the market about 4 o'clock in the morning, and released their report at 6 o'clock in the morning. Radio stations willingly cooperated with the program, with the result that farmers sitting down to their breakfasts had a report on the New York market as it had developed up to within a few minutes before they received it. It is safe to say that this proved to be one of the most popular services we have had in a long time.

For several months the reporters on the New York market put in 10 or 12 hours a day just to try out the plan, and, of course, a great deal of credit is due to them. It is obviously unfair to request them to continue this service on such a schedule, and therefore an added appropriation in each of these items is necessary.

At a national conference of fruit and vegetable producers called by the American Farm Bureau Federation in New Orleans on December 12, 1938, this subject was very thoroughly gone into. A committee was appointed to investigate the needs and the services that were rendered at that time; and the report of that committee, made to the directors of the American Farm Bureau Federation, called for additional appropriations for the crop-reporting service and for the market-news service, as well as for the development of a reporting system for truck shipments and arrivals, and also for studies of grades best adapted to meet consumer demand.

The report says, in part:

Regarding the resolution of the American Farm Bureau Federation recommending an increase of \$150,000 in the funds of the Department of Agriculture for crop-reporting service, we find upon inquiry of the Department that estimates are made of the acreage, yield, production, and farm price of principal commercial fruit and truck crops. Criticisms have been received by the federation from time to time that some of the reports issued by the Department are not in enough detail, issued often enough, or promptly enough to be of most use. For example, the estimates of truck crops do not include the so-called market garden areas adjacent to large cities which have a bearing upon market supplies, nor do the reports provide prompt information on the respective volume of shipments from competing areas during the shipping season. Estimates of production have for the most part been issued monthly. With the necessity for rapid marketing of these highly perishable crops a more frequent service in this respect is needed. A weekly report covering important areas of production would help the producer materially to secure fairer prices for his crop. The Department has been unable to make a separate estimate of the acreage and production of vegetables used for quick freezing, which is rapidly expanding. More information is needed on farm and local stocks of such products as potatoes, onions, and cabbage. The reports now



issued by the Department are limited to these three crops and are issued only once a year. More frequent and more prompt reports are needed.

The federation endorsed a resolution to request \$250,000 to expand the market news service on fruits and vegetables of the Department of Agriculture, including more adequate reports on the movement of fruits and vegetables by motor truck. For years the Department has had the cooperation of the railroads in reporting the number of carloads shipped each day and the number arriving in some of the principal markets. These figures, while still valuable, no longer adequately represent the day-to-day market situation because of the increasing quantities being shipped by motor truck. The lack of adequate reports of market supplies moving by motor truck is the dark spot in the daily market reports issued by the Department. Funds should be provided to obtain reports of arrivals by motor truck in many more markets, and to develop ways and means of reporting shipments from important producing districts.

The market news service conducted by the Department is the only comprehensive service farmers have to keep them advised of day-to-day changes in the markets. Its value to farmers and distributors has been firmly established. Instead of expanding to include more detailed information on prices paid for varieties, sizes, and containers, the service has actually been reduced in recent years. The Department once had offices in such important markets as Buffalo, Des Moines, New Orleans, Memphis, and Omaha, which afford outlets for producers all over the country. Such markets as Indianapolis, Louisville, and Columbus, Ohio, are not equipped with market reporters. Important producing sections in Texas, Florida, Michigan, Maine, and other States have expressed the need for more service. The resolution endorsed by the federation would provide for the reestablishment of the service at some of the important markets and provide much more complete market information for important shipping areas.

Mr. President, I have actually cut these items in two, and I have taken only two of the four items recommended by the American Farm Bureau Federation. In view of the vast increase in fruit and vegetable production in this country, in view of the impoverished condition—growing progressively worse each year—of the fruit and vegetable producers, and because of this new element in the delivery and transportation of fruits and vegetables—namely, the trucking industry—and also because of the very large areas adjacent to industrial centers which are devoted to the production of fruits and vegetables not now receiving the attention of the Department, I really believe that the two modest items included in the amendments I have sent to the desk should be included in the bill. One of them calls for an appropriation of \$75,000, the other for an appropriation of \$100,000. Both are recommended by the farmers of the country, and both I know are essentially necessary to the orderly marketing of these two very important crops.

Every one of the 48 States that make up the Union is now engaged in some degree in the production of fruits and vegetables, and they are all vitally interested in the expansion of these two services. A few years ago these services were curtailed in a number of important cities in the Nation, including my own home city. It occurs to me that instead of curtailing these services, as a result of the increased production of these two commodities we ought to be expanding the services.

I hope the two amendments I have sent to the desk will be adopted.

The PRESIDING OFFICER. Is there objection to the reconsideration of the vote by which the committee amendment on page 62, line 13, was adopted?

Mr. RUSSELL. Mr. President, I regret to feel constrained to object to the request. The amendments proposed by the Senator from New York come in the category of very desirable services in which many persons are interested, but which I do not feel that I should accept.

The appropriation proposed in the amendments offered by the Senator from New York did not have any Budget estimate; and while the committee did hear some witnesses who testified to the importance of increasing these items, the committee did not feel justified in presenting the increases to the Senate in view of the substantial increases made in other items.

As to the second amendment proposed by the Senator from New York, on page 64, line 14, I feel that that amendment possesses more merit than does the one on page 62. About the first of this year the Interstate Commerce Commission allowed a 50-percent increase in the telegraph tolls paid by the Government to the great telegraph companies. Prac-

tically all this item of the Market News Service, or a great deal of it, is used for telegraph charges to transmit the information from one section of the country to the other. This increase of 50 percent has the effect of automatically making available for the coming fiscal year \$22,000 less than the Market News Service had available this year. I should be willing to accept the amendment if the Senator from New York saw fit to reduce the amount on page 64 from \$100,000 to \$25,000. Otherwise, I hope the Senate will reject the amendment.

The PRESIDING OFFICER. Objection is heard to the reconsideration of the amendment on page 62. The Chair will advise the Senator from New York that he may move to reconsider if he so desires.

Mr. MEAD. Mr. President, I have no desire to move to reconsider, and when I began to discuss the agricultural appropriation bill shortly after it was reported I explained that I thought that the chairman of the subcommittee had treated the subject generally very liberally. I stated that there were just one or two amendments about which I differed with the judgment of the committee, but, as a whole, I felt that we were all obligated to the chairman of the subcommittee and to the members of the subcommittee for the very liberal and the very careful consideration they gave to the entire subject. I realize that a reconsideration would not be possible under such conditions, and I shall be very glad to accept the suggestion made by the chairman of the subcommittee for reconsideration of the vote by which the second amendment was agreed to, and have the amount increased according to the figures which he has just explained. I therefore modify my amendment accordingly.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment, on page 64, line 14, was agreed to is reconsidered, and the question is on agreeing to the amendment proposed by the Senator from New York to increase the figure from \$1,130,000 to \$1,155,000.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. CHAVEZ. Mr. President, I send an amendment to the desk, which I ask to have stated.

The LEGISLATIVE CLERK. On page 31, line 12, it is proposed to strike out "\$400,000" and to insert in lieu thereof "\$408,345."

Mr. CHAVEZ. Mr. President, this particular item is one which represents a decrease from the 1940 appropriation by \$24,385. Even if my amendment should be accepted, so that it would go to conference, it would still leave this item \$16,040 less than was available in the 1940 law.

Mr. RUSSELL. Mr. President, as I understand the amendment, it merely restores part of a reduction made by the Bureau of the Budget in the item, and if that reduction is enforced it will be necessary to discontinue important experimental work which is now under way in New Mexico, Arizona, and Arkansas.

Mr. CHAVEZ. That is correct.

Mr. RUSSELL. As a small amount of money is involved, and it represents the restoration of a part of the current appropriation, I shall urge no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GURNEY. Mr. President, I present an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 88, line 16, after the colon, it is proposed to insert the following proviso:

*Provided further, That any part of this appropriation allocated for the production or procurement of nursery stock by any Federal agency, or funds appropriated to any Federal agency for allocation to cooperating States for the production or procurement of nursery stock, shall remain available for expenditure for not more than 3 fiscal years.*

Mr. RUSSELL. Mr. President, the Senate has already agreed to a committee amendment to this same effect as applied to nurseries operated by the Soil Conservation Service, and inasmuch as that provision has been accepted, it

seems to me it should also apply to the cooperative farm forestry nursery, and I have no objection to the amendment.

Mr. GURNEY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

#### WEATHER BUREAU OFFICE AT BOSTON

Mr. WALSH. Mr. President, my colleague, the junior Senator from Massachusetts [Mr. LODGE] and myself have received requests from one of the Massachusetts Representatives, Mr. McCORMACK, asking us to support an amendment to the bill providing for an appropriation of \$25,000 for a weather-forecasting station in Boston. The telegram is as follows:

Hon. DAVID I. WALSH, Senate Office.  
BOSTON, MASS., March 21, 1940.

The establishment of a regional weather bureau office in Boston is of great importance. Interest here is intense. Reports for New England have been very uncertain bringing about disturbed results. Boston once had such an office. Several exist now in different parts of country. Secretary Wallace informed me recently "Need for specialized forecast in New England area is recognized but regret lack of funds and shortage of expert forecast personnel in this country make it impossible to establish separate district for New England at present." Amount \$25,000. We will never develop expert forecasts unless way is paved. This appropriation will pave way and give New England what is badly needed. Respectfully urge you try to add \$25,000 on appropriation bill now in Senate so that this item will be in conference, in which event I will do all I can to convince House conferees to accept.

JOHN W. McCORMACK,  
Member of Congress.

Both my colleague and myself feel that we cannot ignore the request regardless of the parliamentary situation, and that it is our duty to offer the amendment as requested. In consultation with the Parliamentarian I am informed that in his opinion a point of order could be raised against the amendment.

I know that the Senator from Georgia has stated repeatedly on the floor that his instruction from the committee is that he must raise points of order against any and all amendments in the way of legislation. For the RECORD I should like to have a statement from the Senator, as to what his attitude would be if such an amendment were proposed.

Mr. RUSSELL. Mr. President, I have no option in the matter. However unpleasant it might be, I have not only an instruction from the committee, but I am compelled under rule XVI of the Senate to interpose a point of order if the Senator from Massachusetts offers the amendment.

Mr. WALSH. Mr. President, in order that the Representative sending the telegram may know that my colleague and I have responded to his request, I ask that the statement of the Parliamentarian be printed in the RECORD, the telegram already having been read by me. In due course, legislation authorizing this Weather Bureau office will be sought, so that later an appropriation may be in order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### OPINION BY CHARLES L. WATKINS, PARLIAMENTARIAN OF THE SENATE

An amendment to the Agricultural Department appropriation bill appropriating \$25,000, or any other sum, for the establishment of a regional Weather Bureau office in Boston, would not be in order under rule XVI, paragraph 1, of the Standing Rules of the Senate, for the reason that:

(1) There is no specific law authorizing the establishment of such an office;

(2) It has not been reported by a standing committee of the Senate; and

(3) It has not been estimated for by the Bureau of the Budget. In other words, the amendment would not fall within any of the classes which make amendments offered by a Senator from the floor in order, and a point of order would accordingly lie against the amendment if proposed.

Mr. LODGE. Mr. President, I should like to associate myself with the statement my colleague has made. I believe the proposal of the Representative would be a step in the right direction, and I would be happy to see the step taken at the proper time. I understand completely the procedure which makes favorable action on a matter which has not been

approved by the Secretary of Agriculture, or by the House of Representatives, extremely problematical. But I did want the RECORD to show my interest.

Mr. PEPPER. Mr. President, at the appropriate place, under the heading "Bureau of Agricultural Chemistry and Engineering," I offer an amendment to add the following:

For Winterhaven, Fla., laboratory, \$13,200.

I will make a brief statement, and if the Senator in charge of the bill wants to have the amendment go over until tomorrow, I shall be glad to have it go over.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. RUSSELL. I do not think it would be in accordance with the usual legislative custom to place in the bill the purpose for which the amendment would be offered. There is an item on page 50 of the bill which authorizes the work of this laboratory, and the general item of appropriation is found on line 9, page 50.

The Senator from Florida, of course, is advised that the Bureau of the Budget sends in the estimates for this purpose, which are set up in the Budget. The committee did not allow all the Budget estimates on this item, but inasmuch as there is a Budget estimate I have no objection to taking the matter to conference and seeing what can be worked out for it. But I think the proper form of the amendment would be to increase the amount in line 19, page 48, by \$13,200 rather than saying anything about Winterhaven Laboratory.

Mr. PEPPER. I thank the Senator very much for his suggestion.

Mr. President, I ask unanimous consent to withdraw the amendment in the form in which it is offered and reoffer the amendment, on page 48, line 19, to strike out "\$379,606" and to insert "\$392,806."

The PRESIDING OFFICER. The Senator has that right. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 80, line 4, before the period, it is proposed to insert a colon and the following:

*Provided further*, That no payment under the Sugar Act of 1937 with respect to the 1940 crop shall be withheld from any producer in the mainland cane-sugar area, because of the marketing (or processing) of sugarcane in excess of the proportionate share for the farm, if the acreage of sugarcane grown on the farm and marketed (or processed) for sugar in the crop year 1940 is not in excess of the acreage of sugarcane for sugar planted prior to January 1, 1940: *Provided, however*, That payments shall be made only with respect to the proportionate share acreage established for the farm under the provisions of such act, and the following deductions shall be made from such payments on account of the excess of the acreage of sugarcane grown on the farm and marketed (or processed) for sugar in the crop year 1940 over the proportionate share for the farm. For so much of such excess as does not exceed 25 acres, no deduction; for so much of such excess as exceeds 25 acres but does not exceed 125 acres, a deduction of \$5 per acre; for so much of such excess as exceeds 125 acres but does not exceed 625 acres, a reduction of \$10 per acre; for so much of such excess as exceeds 625 acres but does not exceed 1,125 acres, a deduction of \$15 per acre; for so much of excess as exceeds 1,125 acres, a deduction of \$20 per acre.

Mr. RUSSELL. Mr. President, under the rule that has been applied here so often, I must make a point of order against that amendment as a legislative provision on an appropriation bill.

Mr. ELLENDER. I anticipated that the Senator from Georgia would make a point of order, because when I introduced the amendment I felt that it was subject to a point of order. In anticipation of the point of order being made, I gave notice on March 13 that I would move to suspend the rule so as to permit me to offer this amendment, and I now move to suspend the rule so that this amendment may be considered.

Mr. ADAMS. I wish to make the inquiry as to whether or not it is proposed to take up this matter today, as there will be considerable discussion concerning it.



Mr. ELLENDER. I defer to the majority leader.

Mr. BARKLEY. Mr. President, I was going to suggest that, inasmuch as this matter involves some discussion, we cannot dispose of it today, and that it go over as the pending amendment to the bill.

Mr. RUSSELL. I am very anxious to conclude consideration of the bill today, but it seems it is impossible to do so. Therefore I have no objection to the majority leader moving a recess at this time.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HARRISON. Since the consideration of the pending bill will go over until tomorrow, is it possible that a unanimous agreement be entered into by which a time shall be fixed for a vote on the pending bill? I do not wish to preclude anyone from reasonable discussion of the bill. I was very hopeful that we could take up consideration of the reciprocal trade agreements bill sometime tomorrow. Is it the purpose to have the session begin at 11 o'clock tomorrow?

Mr. BARKLEY. Yes.

Mr. HARRISON. Could we not agree that at a certain time tomorrow a vote shall be taken on the motion of the Senator from Louisiana and his amendment, and on the bill itself?

Mr. ELLENDER. Mr. President, I have no objection to the proposal made by the Senator from Mississippi. I believe I can make the proper presentation to the Senate of my amendment within 30 or 35 minutes or, at the most, 40 minutes.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ADAMS. I simply wanted to advise the Senator from Mississippi that if the rule is suspended and the amendment is submitted, there will be further amendments offered to the amendment which will involve a very extended discussion of the whole sugar situation.

Mr. HARRISON. So I presume there is no hope of obtaining a unanimous agreement with respect to a vote.

Mr. PEPPER. Mr. President, the Senator from Pennsylvania [Mr. GUFFEY] was called away from the floor this afternoon and desired that notice be given that he proposes to offer an amendment to the pending bill. I will read the body of the amendment, and then send it to the desk for consideration tomorrow. The Senator from Pennsylvania proposes on page 42, after line 23, to insert the following:

For a survey of forest influences in the Middle Atlantic States, to be used by the Allegheny Research Station, Department of Agriculture, \$35,000.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

#### EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Appropriations, reported favorably the nomination of Miss Mary S. Anderson, of Illinois, to be Administrator of the National Youth Administration for Illinois.

He also, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. BROWN in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the first nomination on the Executive Calendar, that of Dorothy B. Keeling, to be postmaster at Camp Taylor, Ky., be passed

over, and that the remaining nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters on the calendar, with the exception of the one requested to be passed over, are confirmed en bloc.

That completes the calendar.

#### RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 27 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 22, 1940, at 11 o'clock a. m.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate March 21 (legislative day of March 4), 1940*

#### POSTMASTERS

##### IOWA

Clare Dougherty, Allerton.

##### LOUISIANA

Carl C. Brown, Haynesville.

William F. Derrick, Pioneer.

Lois C. Adams, Roseland.

Elmer J. Dalfume, Sondheimier.

##### OHIO

George A. Zettler, Hamilton.

Dudley C. Smith, Niles.

##### PENNSYLVANIA

Wilson I. Shrader, Berwick.

Lee W. Fisler, Hummelstown.

J. Ross Owens, Parkesburg.

Mary C. Teater, Port Allegany.

## HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 21, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father, we would tarry at the altar of prayer in the serenity of Christian faith and with imperishable hope. As the night of Calvary will soon wear its robe of darkness, pierce it with a star which gives us visions of earth's darkness and heaven's light being dissolved into the radiance of eternity. Blessed Lord, the world has grown weary of its long, long tramp down the reaches of time. O let humanity forget its forced marches, its smiting aches, and gnawing despairs by remembering Him who opened the House of God for the parliament of man. We pray Thee to take us into the lonely garden of spiritual aspiration, to those Gethsemanes where the world will be behind us; there, beyond the city wall, reveal to us the imponderable things which enrich the soul and there inspire us to live lives that will last forever. O bring to our minds the agony of the cross, unveil it before our waiting eyes; may we feel our fragile might and our gross unworthiness. O come like a holy benediction, walking through the quiet chapels of our souls; hear our prayer amid the falling shadows and give us peace. We pray in His holy name whose pardon we seek and whose guidance we beseech. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendment to the bill (H. R. 4126) entitled "An act for the relief of Warren Zimmerman," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon; and appoints Mr. ELLENDER, Mr. SCHWARTZ, and Mr. CAPPER to be the conferees on the part of the Senate.